Friday
4th March, 1949

THE CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART I—QUESTIONS AND ANSWERS)

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CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART I—QUESTIONS AND ANSWERS)

Friday, 4th March, 1949

The Assembly met in the Assembly Chamber of the Council House at a Quarter to Eleven of the Clock, Mr. Deputy Speaker (Shri M. Ananthasayanam Ayyangar) in the Chair.

STARRED QUESTIONS AND ANSWERS.

(a) ORAL ANSWERS

HOUSES REQUISITIONED IN DELHI AND ALLOTTED TO REFUGEES

***868. Shri R. K. Sidhva:** (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state the number of houses belonging to evacuees in Delhi requisitioned by Government during the year 1948?

(b) How many of the requisitioned houses have been allotted to refugees?

(c) What is the policy followed for allotment of houses?

(d) How many vacant houses belonging to evacuees still remain to be requisitioned?

The Honourable Shri Mohan Lal Saksena: (a) Upto the end of February, 1949 residential units numbering 27,127 were surveyed and brought on Evacuee Property Registers. In addition 14,379 houses were surveyed in the predominently Muslim areas about 90 per cent. of which are in the occupation of old Muslim tenants or Muslims displaced from other localities.

(b) Confirmatory allotments of 22,278 residential units were made in favour of 25,598 occupant families by the end of February, 1949. 734 fresh allotments were made from the beginning of 1948 upto date.

(c) Houses in the occupation of displaced persons are allotted to the occupants unless it is found that the accommodation in their possession is clearly in excess of their need. Surplus accommodation thus released, houses occupied by persons other than displaced persons and vacant houses are allotted to (i) previous allottees to whom possession of the allotted houses could not be given (ii) widows on compassionate grounds, (iii) other refugees from provinces other than West Punjab according to the specified percentages. Poor quality one-room tenements without electricity or water, rejected even by lower middle class refugees are given to poor, shelterless displaced persons, irrespective of priorities or provincial percentages.

(d) No evacuee houses in Delhi Province are vacant, and there can be no question of requisitioning occupied houses for allotment to refugees. Any such additional houses which may be discovered will be taken over by the Custodian of Evacuee's Property for management, including collection of rent.

Shri R. K. Sidhva: May I have a rough idea of the number of refugees outside the camps who are still without houses?

The Honourable Shri Mohan Lal Saksena: It is difficult to give any idea about that. We have got the numbers of those who are in camps and those who are in evacuee houses. It is not possible to give the number of those who are not either in the camps or in the evacuee houses.

Shri V. C. Kesava Rao: May I know whether evacuees who are coming back from Pakistan are selling their houses at abnormal prices?

The Honourable Shri Mohan Lal Saksena: No such case has been reported to us so far. In fact, there have been only three or four sales since this agreement was arrived at.

Shri V. C. Kesava Rao: Will the Government take any action against those people who try to sell their houses at abnormal prices?

The Honourable Shri Mohan Lal Saksena: I do not know what action can be taken except that the people who offer abnormal prices must be persuaded not to do so.

Dr. Mono Mohan Das: What is the present condition of the houses which have been abandoned by Sikhs and Hindus in Western Pakistan?

Shri H. V. Kamath: Was this subject of evacuee houses in Pakistan and India and their allotment on a reciprocal basis discussed at any of the recent Inter-Dominion Conferences?

The Honourable Shri Mohan Lal Saksena: No.

Shri H. V. Kamath: Why not? Was it not an important enough subject to be discussed?

The Honourable Shri Mohan Lal Saksena: As a matter of fact, this question was discussed much earlier and as a result, the Evacuee Property Act was enacted in both the Dominions.

Shri H. V. Kamath: When was this, Sir?

The Honourable Shri Mohan Lal Saksena: Long before.

Shri B. N. Munavalli: Are there any houses of evacuees not requisitioned by the Government, but taken over by the refugees themselves?

The Honourable Shri Mohan Lal Saksena: Many of the Houses were taken by the refugees or displaced persons. Those taken by the refugees were requisitioned. In cases where houses were taken possession of such as Government quarters, steps are being taken to eject them and to provide them with alternative accommodation.

Shri M. Tirumala Rao: Is it a fact that some big money lenders in Delhi have managed to get very cheaply some of the houses belonging to the evacuees that left India?

The Honourable Shri Mohan Lal Saksena: I have no information on the subject.

Shri R. L. Malviya: Is it a fact that Hindus coming from Pakistan are not able to sell their houses, or even if they sell, they are purchased at cheap prices?

Mr. Deputy Speaker: Selling their houses, where?

Shri R. L. Malviya: In Pakistan.

Mr. Deputy Speaker: I do not think it arises.

RESTORATION OF ABDUCTED WOMEN

***869. Shri R. K. Sidhva:** (a) Will the Honourable the Prime Minister be pleased to state whether continued efforts are made to bring the abducted women of Indian Nationals from the Pakistan territory?

(b) If so, how many were brought during the period from 1st July, 1948 to date?

(c) What is the number so far remaining untraced and those traced but not brought into India?

(d) What are the difficulties in the way of bringing them into India?

(e) What is the approximate number of Pakistan abducted women in India?

The Honourable Shri N. Gopalaswami Ayyangar (Minister for Railways and Transport): (a) Yes.

(b) 302 abducted women and children were recovered in Pakistan and sent to India during this period.

(c) The exact number of women and children not yet traced and those traced but not brought into India, is not known. We have so far registered 12,707 cases of abductions and 5,671 persons have been recovered. On the other hand a third of the women recovered were not on our lists.

(d) Most of the women recovered in Pakistan have been brought to India. Difficulties are however experienced in the case of some on account of their personal reluctance to return to their original families.

(e) It is difficult to give a dependable estimate of even the approximate number.

Sardar Bhopinder Singh Man: What is the agency now functioning in Pakistan to recover Hindu and Sikh abducted women?

The Honourable Shri N. Gopalaswami Ayyangar: Recovery is made by the Pakistan authorities helped by certain of our social workers.

Sardar Bhopinder Singh Man: Is the Government quite sure about the good functioning of the Pakistan agency which is now functioning for the recovery of abducted women?

The Honourable Shri N. Gopalaswami Ayyangar: Unless disillusioned, I take the Pakistan Government's assurances at their face value.

Sardar Bhopinder Singh Man: Is it a fact that some of the Districts of Pakistan such as Jhelum, etc., bordering on Pakistan and the Kashmir border, have all along been considered by Pakistan as closed districts and no recovery has ever taken place there?

The Honourable Shri N. Gopalaswami Ayyangar: They were treated as closed districts and recovery in those districts was not as good as elsewhere. But, some have been recovered even from those districts.

Sardar Bhopinder Singh Man: What is the proportion of these women who have been recovered as opposed to the total abductions in those districts?

The Honourable Shri N. Gopalaswami Ayyangar: It is very difficult for me to give figures; but I think it was a small number.

Seth Govind Das: Is our representative in Pakistan sending periodical reports to the Government of India in respect of abducted women?

The Honourable Shri N. Gopalaswami Ayyangar: Yes; we do get weekly reports, I think.

Prof. N. G. Ranga: What is the latest position in regard to these closed districts? Are they open now, or are they being opened?

The Honourable Shri N. Gopalaswami Ayyangar: We are trying to extend the recovery operations to these districts as well.

Sri Raj Bahadur: What is the number of Pakistan abducted women recovered in India and sent to Pakistan?

The Honourable Shri N. Gopalaswami Ayyangar: I think the total number is about four thousand and odd.

Prof. N. G. Ranga: How many friends Government of India have on that side to work voluntarily for recovery of these women and are facilities being given to these friends to go and trace these women and bring them back?

The Honourable Shri N. Gopalaswami Ayyangar: Pakistan authorities do give assistance to these people but the recovery has to be made by the Pakistan Authorities and not by our people.

Prof. N. G. Ranga: How many of our friends are working there in this?

The Honourable Shri N. Gopalaswami Ayyangar: We have a few social workers.

Shri R. K. Sidhva: The Honourable Minister stated in reply to (b) that the figures are not available. He gave during the last session the figure of 5,000 as recovered. May I know whether that figure given in the last session is correct?

The Honourable Shri N. Gopalaswami Ayyangar: I think I have said even in this that 5,671 persons have been recovered. The total number to be recovered was put on a much higher level. It was suggested from Pakistan that there were about 30,000 to 40,000 women to be recovered from India.

Srijut Rohini Kumar Chaudhuri: Is it a fact that abducted women from Pakistan are released only if women belonging to Pakistan and living in India are released?

The Honourable Shri N. Gopalaswami Ayyangar: No.

Dr. P. S. Deshmukh: Is the Government satisfied with this work of recovery or are there any proposals to take other steps to recover at a faster rate?

The Honourable Shri N. Gopalaswami Ayyangar: We are not satisfied with the recoveries that have been effected and we have set up machinery which is intended to accelerate this recovery in the future.

Shri Ram Chandra Upadhyaya: Who is in-charge of these abducted women? Yourself or the Prime Minister?

The Honourable Shri N. Gopalaswami Ayyangar: I am in-charge of it on behalf of the Prime Minister.

INDIANS IN JAPAN

***870. Shri R. K. Sidhva:** (a) Will the Honourable the Prime Minister be pleased to state the total number of Indian Nationals in Japan and how many of them are engaged in business?

(b) What was their population before the last war and what is it now?

(c) Are Indians from India permitted to enter Japan and engage themselves in business?

(d) If so, are there any terms and conditions on which such permission is granted?

Dr. B. V. Keskar (Deputy Minister for External Affairs and Commonwealth Relations): (a) The total number of Indian nationals in Japan in the second week of February 1949 was 170. Of these 115 were engaged in business.

(b) The Indian population in Japan before the last war is reported to have been about 1,500.

(c) and (d). Indians are allowed to enter Japan for business purposes provided they are considered likely to contribute to the economic rehabilitation of Japan. Such visitors have to be recommended by the Government of India and cleared for entry into Japan by the Supreme Commander of Allied Powers' Headquarters, through the Indian Liaison Mission.

Shri R. K. Sidhva: How many applications arising out of (d) were received, how many rejected and how many accepted?

Dr. B. V. Keskar: I require notice of that.

Prof. N. G. Ranga: Is it true that several businessmen who wanted to go to Japan have complained that permits have not been given to them as easily as they ought to be?

Dr. B. V. Keskar: All applications for permits are considered by the Government and Government issue permits to those who are considered likely to further Indian business in Japan.

Seth Govind Das: Is the recommendation of the Government as far as these applications are concerned, accepted by the Government of Japan or always some hindrance is put by the Government of Japan when these applications are recommended?

Dr. B. V. Keskar: It is not the Government of Japan which accepts or rejects the applications. It is the Allied Powers' Headquarters who control this. Generally our recommendations are accepted.

Shri H. V. Kamath: Do the SCAP authorities show any discrimination as between Americans and Indians in the matter of business and trade?

Mr. Deputy Speaker: It does not arise out of this question.

Shri Brajeshwar Prasad: Is there any proposal to send a delegation to Japan to find out the possibility of trade with that country?

Dr. B. V. Keskar: Not for the moment but the possibility may be taken into consideration.

Shri R. K. Sidhva: May I know whether some of the businessmen in Bombay made an application for permission to go to Japan and Government of India accepted and the Japanese Government refused?

Dr. B. V. Keskar: I do not know this particular case. If the honourable member likes, I will make enquiries.

Prof. N. G. Ranga: Is it true that it takes more than three months for a businessman to get a permit or get a reply?

Dr. B. V. Keskar: We try to expedite the issue of permits but as my friend is aware, it is not in our hands to issue permits. They are received from Japan. It is possible that specific cases are delayed but we try to expedite them generally as much as possible.

Srijut Rohini Kumar Chaudhuri: Are Indians who had business in Japan before the war allowed now to go back and resume their business.

Dr. B. V. Keskar: Yes.

Seth Govind Das: Have Government received complaints from business quarters that there are many difficulties when they send these applications?

Dr. B. V. Keskar: I am not aware of any such complaint with regard to difficulties here but it is possible there might be difficulties in Japan in getting their entries sanctioned by the Government of Japan.

Shri H. V. Kamath: Is there any Advisor on behalf of the Government of India to advise the SCAP Authorities in this matter?

Dr. B. V. Keskar: There is the Indian Liaison Mission which is there on our behalf and which does this work.

Srijut Kuladhar Chaliha: Are Indians domiciles in Japan allowed to come to India if they ask for passports?

Dr. B. V. Keskar: Yes.

Rehabilitation of Refugees from Western Pakistan Cantonments

***871. Shri R. K. Sidhva:** (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state what steps Government have taken to rehabilitate refugees from the Western Pakistan Cantonments?

(b) Was any representation received from the All-India Cantonment Association in this respect and if so, with what result?

The Honourable Shri Mohan Lal Saksena: (a) and (b). Displaced persons from Cantonment areas in Western Pakistan are entitled to the same rehabilitation benefits as other displaced persons from Western Pakistan. A representation was received from the All India Cantonment Association regarding the rehabilitation of such persons in the Cantonment areas of India. As a result it has been decided to examine and reassess the requirements of the armed forces in regard to land in the existing Indian cantonments. Any land found surplus to these requirements will be utilised for rehabilitating displaced persons from cantonments of Western Pakistan. For the time being the Ministry of Defence have agreed to consider on merits applications by such displaced persons for allotment of land in cantonment areas.

Shri R. K. Sidhva: Is it a fact that this question of All India Cantonments Association have been hanging on for the last nine months?

The Honourable Shri Mohan Lal Saksena: May be. As I have already stated this question is with the Defence Ministry and they have agreed that in the case of individual applications for land, they will consider them on merits.

Shri R. K. Sidhva: Is it a fact that the Defence Ministry has allotted plots to many businessmen for Ice Factories without holding any auction and against the rules of the Cantonment Boards and still for these refugees these are not available? Will the honourable Minister kindly expedite it?

The Honourable Shri Mohan Lal Saksena: I must ask for notice. If the honourable member gives me any particulars, I will have enquiries made.

TRUCE PLAN BETWEEN CAPITAL AND LABOUR

***872. Shri R. K. Sidhva:** (a) Will the Honourable Minister of Labour be pleased to state whether the contemplated plan for bringing about a truce between capital and labour has materialised?

(b) If not, what are the reasons therefor?

(c) Did all parties agree to the truce during the conference held for the purpose?

(d) What steps do Government intend to take to implement the said truce?

The Honourable Shri Jagjivan Ram: (a) There has been a noticeable decline in the volume of industrial disputes during the year 1948, as compared with 1947. But strikes and the threat of strikes have by no means been eliminated altogether.

(b) A complete stoppage of industrial disputes in the prevailing economic conditions was not to be expected.

(c) The Industrial Truce Resolution was accepted in their personal capacity by persons who participated in the Industries Conference held in December 1947. Subsequently the following organisations of employers and workers intimated their acceptance of the resolution:

The All-India Organisation of Industrial Employers; Employers' Federation of India; Indian Federation of Labour; and Indian National Trade Union Congress.

(d) The following action has been taken or is being taken:

(i) In accordance with paragraph 9 of the Ministry of Industry and Supply resolution dated the 6th April 1948 in which Government accepted the Truce Resolution, a Central Advisory Council of Labour has been constituted to consider *inter alia* questions regarding fair wages to labour, fair return on capital, reasonable reserves, labour's share of surplus profits. The major Provinces have also set up Provincial Advisory Boards.

(ii) Works Committees and Production Committees are being set up in a large number of industrial establishments in which one hundred or more workmen are employed.

(iii) The conciliation and adjudication machinery both in the Central and Provincial fields has been strengthened. The Central Government has set up two Standing Tribunals, one each at Dhanbad and Calcutta.

(iv) It is proposed to overhaul the Industrial Disputes Act, 1947 with a view to providing more effective machinery for settling industrial disputes and ensuring better co-ordination in the awards of tribunals.

Shri R. K. Sidhva: May I know whether in that conference of industrialists and labour, which met in Delhi, the question of profit-sharing by labour was considered, and if so with what result?

The Honourable Shri Jagjivan Ram: At the conference which met in December 1947, the resolution on industrial truce was adopted, and mention was made in that resolution about profit-sharing.

Shri R. K. Sidhva: And with what result, may I know? And is it a fact that the Federation of Indian Chambers of Commerce in their meeting repudiated any kind of profit-sharing by labour?

The Honourable Shri Jagjivan Ram: At that time, the industrialists who were present in the Industries Conference, were party to the resolution. After that, when they came to realise the implications of profit-sharing, there has been repudiation from certain not very important organisations of industrialists.

Shri Harihar Nath Shastri: Are the Government aware of a large number of cases in which the industrialists have violated the awards of industrial tribunals? If so, do Government regard such an attitude consistent with the industrial truce? If not, what steps do Government propose to take to enforce the awards of industrial tribunals?

The Honourable Shri Jagjivan Ram: There has been violation of awards from both sides. And Government are taking steps to amend the Industrial Disputes Act in order to make sure that the awards of tribunals are effectively implemented both by the employees and the employers.

Shri Harihar Nath Shastri: Are Government satisfied that they have implemented the terms of the Industrial Truce, in regard to their own obligations?

The Honourable Shri Jagjivan Ram: As I have explained already, we have been taking steps to implement, on our part, the Industrial Truce Resolution. As my Honourable friend is aware, we have already set up the Advisory Council which has taken up the question of fair wages and profit-sharing.

Shri Harihar Nath Shastri: What concrete steps have Government taken with regard to the construction of houses for the workmen?

The Honourable Shri Jagjivan Ram: How does this question arise, Sir?

Mr. Deputy Speaker: That is going into too many details.

Shri R. K. Sidhva: May I know whether it is a fact that the production output, in respect of coal, yarn, textiles, and certain portions of iron and steel, has been increased during this period?

The Honourable Shri Jagjivan Ram: Certainly so.

Shri R. K. Sidhva: Therefore, is it not a fact, that the labourers have fulfilled their obligation under this truce?

The Honourable Shri Jagjivan Ram: I have said that on more than one occasion.

Shri Khandubhai K. Desai: What steps are being taken by the Government to expedite the implementation of a commitment regarding fair wages and profit-sharing?

The Honourable Shri Jagjivan Ram: My honourable friend himself happens to be a member of the committee which is examining the question of fair wages and profit-sharing.

Shri H. V. Kamath: Is it a fact that the Honourable Minister, in the course of a recent speech at Ahmedabad declared that industry and capital have failed to honour one of the terms of the Industrial Truce, to the effect that they should construct workers' dwellings to the tune of a few crores? Is it a fact that he made such a statement?

The Honourable Shri Jagjivan Ram: I do not remember having said that in those terms. I mentioned something about industrial housing; but that was at Bombay, and not at Ahmedabad, I think.

Dr. P. S. Deshmukh: May I know what steps Government are taking to persuade the capitalists to stick to their assurance about profit-sharing?

Mr. Deputy Speaker: That requires a long statement. Next question.

PETROL INDUSTRY

***873. Dr. Mono Mohan Das:** (a) Will the Honourable Minister of Works, Mines and Power be pleased to state what are the petrol sources in the Indian Union?

(b) Is it a fact that all these petrol mines are under lease to foreign companies?

(c) Have Government any scheme or proposal for the development of petrol industry?

(d) If the answer to part (b) above be in the affirmative, what steps are being taken by Government to nationalise them?

The Honourable Shri N. V. Gadgil: (a) Petroleum in Commercial quantities has been found only in Assam, where it is actually being produced. Other likely areas are being investigated.

(b) Yes.

(c) Government are considering the possibilities of setting up refineries to deal with imported Crude, of manufacturing synthetic oil from low-grade coal, and of developing Power Alcohol for admixture with motor spirit.

(d) There is no such proposal under consideration. Attention is invited to the undertaking given in para 4 of the Industrial Policy Resolution dated the 6th April 1948.

Seth Govind Das: Besides Assam, which are the other areas in India now under investigation?

The Honourable Shri N. V. Gadgil: The programme of survey includes, for the year 1948-49, geological and geophysical investigations for oil in Cutch, Kathiawar, Assam and East Punjab.

Seth Govind Das: Have the Government any report in regard to Bastar State where it is suspected there is sufficient oil?

The Honourable Shri N. V. Gadgil: Government does not act on mere rumours; but it is intended at a later stage to send a party to Bastar also.

Srijut Kuladhar Chaliha: May I know what is the capital invested in Digboi Oils and whether there is a proposal before Government for its nationalisation? Also whether there is any survey contemplated near about the Naga Hills.

The Honourable Shri N. V. Gadgil: As regards the capital invested, I require notice. As regards any proposal for nationalisation, the answer is already given in (c).

Shri Gopikrishna Vijayavargiya: What is the amount of petrol produced in Assam?

The Honourable Shri N. V. Gadgil: For the year 1946, the quantity of petrol produced in Assam was about 19 million gallons, in 1947, it was 17 million gallons and in 1948, up to September, it was 14 million gallons.

Shri B. N. Munavalli: What is the duration of the various leases to the foreign concerns?

The Honourable Shri N. V. Gadgil: Each lease is governed by particular terms, and I require notice to give these details.

Shri Ram Chandra Upadhyaya: May I know how long it will take to set up our own refineries?

The Honourable Shri N. V. Gadgil: It is a difficult question to answer. The position is, certain technicians were invited by Government of India and they have surveyed the field. They will make a report to their respective principals and companies concerned, and they will submit a report. It is expected that this report will be submitted by about June 1949.

Srijut Rohini Kumar Chaudhuri: May I know in what parts of Assam surveys are going on now?

The Honourable Shri N. V. Gadgil: I require notice.

Srijut Kuladhar Chaliha: What are the reasons for the decrease in the oil output in Digboi?

The Honourable Shri N. V. Gadgil: I require notice for that also.

Shri R. K. Sidhva: May I know what is the longest period of these leases?

The Honourable Shri N. V. Gadgil: Lest I should give incorrect information, I require notice for this.

Dr. Mono Mohan Das: What proportion of our total demand is met by the production in Assam?

The Honourable Shri N. V. Gadgil: Between seven to eight percent.

Ramapadasagar Project

***874. Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Works, Mines and Power be pleased to state whether it is a fact that the Government of India have notified to the Government of Madras their inability to finance the Ramapadasagar Project?

(b) If so, what are the special reasons for this?

(c) Is it a fact that most of the preliminary work on this project has been done?

The Honourable Shri N. V. Gadgil: (a) No. The Government of India have, however, advised the Government of Madras that the present is not an opportune time to start work on such an ambitious scheme.

(b) The reasons for advising postponement of the project are the very heavy requirements of materials, technical difficulties and large requirements of foreign and domestic funds.

(c) It is correct that quite a lot of preliminary work has been done but considerable more work will have to be done before construction can start.

Prof. N. G. Ranga: May I know what steps are being taken to see that all the work that has been done does not go into waste, and whether Government are maintaining any engineering staff there to continue the readings and continue other work that may be required?

The Honourable Shri N. V. Gadgil: This scheme is entirely under the administrative control of the Government of Madras and I have every reason to believe that all these factors will be taken into consideration by that Government.

Shri R. K. Sidhva: May I know why the Honourable Minister called this an ambitious project? Is it a necessity?

The Honourable Shri N. V. Gadgil: It is ambitious because the money that will be required is more than Rs. 130 crores. It will take 19 years for completion and when it starts it will absorb the entire engineering staff of the Madras Government and the whole of the cement and steel available will be also absorbed!

Prof. N. G. Ranga: Is it a fact that in spite of the reasons given by my honourable friend, that the three American experts who were brought over here and were consulted, had tendered the advice to the Government of India that it is a feasible proposition? And is it a fact also that there are certain American firms who have applied to undertake this project and complete it?

The Honourable Shri N. V. Gadgil: It is feasible. There is no doubt about that but the conditions for Government undertaking any particular scheme are already stated.

Shri R. K. Sidhva: My question was whether it was a necessity or whether it would increase the national wealth of the country.

The Honourable Shri N. V. Gadgil: With respect to this particular question, there are other schemes costing less which will give better results and will be completed quickly.

Shri V. C. Kesava Rao: Why is this scheme left to the Provincial Government and why is not the Central Government helping the Provincial Government?

The Honourable Shri N. V. Gadgil: Normally any scheme which embraces one particular province is left to the control of that province. When a scheme embraces more than one province, then the Centre comes in.

Shri M. Tirumala Rao: Is the Madras Government fully in accord with the idea that the scheme should be proceeded with immediately and is the Central Government of a different opinion with regard to it?

The Honourable Shri N. V. Gadgil: The Madras Government is naturally anxious, but there are other factors weighing with us and those factors have been detailed already.

Shri M. Tirumala Rao: Is it the idea of the Central Government that this scheme should be postponed indefinitely?

The Honourable Shri N. V. Gadgil: No, Sir.

Shri V. C. Kesava Rao: Is the Government aware of the total production if the scheme comes into being?

The Honourable Shri N. V. Gadgil: Government are aware of that.

Dr. V. Subramaniam: Will the scheme be able to produce much electricity?

The Honourable Shri N. V. Gadgil: It is a multi-purpose project. It will produce food, power and fish also!

Dr. V. Subramaniam: In view of the shortage of coal in the country....

Mr. Deputy Speaker: The honourable member is being argumentative!

Prof. N. G. Ranga: It has been indicated by the Honourable Minister that the project will take 19 years to complete: that the entire engineering staff will be employed: that it can be taken up by stages and the first stage should be completed within the next five years and certain results will be obtained by way of food.

The Honourable Shri N. V. Gadgil: If the honourable member is very anxious to know the details, I will tell him that the foundation is about 300 feet and even the filling up of the foundation will take seven years.

PURCHASE OF SHIPS FROM U. S. A. FOR INDIAN MERCANTILE MARINE

***875. Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Commerce be pleased to state whether there is a proposal to purchase three big ships for the Indian Mercantile Marine from the United States of America and to entrust them to the Indian Shipping Companies?

(b) What is the cost of these ships and on what condition will they be handed over to the Shipping Companies?

The Honourable Shri K. C. Neogy: (a) In anticipation of the setting up of the first Shipping Corporation, the Indian Embassy in Washington, had been requested to investigate the possibility of securing a few ships for the Corporation in the United States. Information has been received that they have provisionally selected two ships for purchase.

(b) The purchase transactions have not yet been completed and it is not possible to indicate the price at which the ships will be purchased. Any ships thus acquired will be handed over to the Corporation at cost for operation on its own account.

Shri R. K. Sidhva: How old are the ships?

The Honourable Shri K. C. Neogy: I have no definite information.

Shri R. K. Sidhva: Will the Honourable Minister say whether these ships are in proper working order?

The Honourable Shri K. C. Neogy: Certainly: that will be the principal consideration.

Shri Deshbandhu Gupta: Is not it possible to buy from the sterling area?

The Honourable Shri K. C. Neogy: Yes, certain negotiations are also going on in the sterling area for ships.

Shri T. T. Krishnamachari: Will the honourable Minister tell the House what is the tonnage of these ships?

The Honourable Shri K. C. Neogy: The gross tonnage of one ship is 7,161 and of the other 7,217: and dead weight, that is cargo capacity, is approximately 10,000 tons.

Shri T. T. Krishnamachari: Will the Honourable Minister inform the House whether these are the Victory ships or the Liberty ships, because it has been proved that the Liberty ships are of no use at all. I hope the Government are not investing money on the Liberty ships.

The Honourable Shri K. C. Neogy: I am not in a position to express any opinion on the Liberty ships. But these two ships are what are called the Canadian Victory ships.

Seth Govind Das: As the negotiations for purchasing these ships are not complete—as the Honourable Minister has said that negotiations are going on for

the purchase of ships from sterling areas—will preference be given to ships from the sterling area?

The Honourable Shri K. C. Neogy: It is not a question of preference, because we will require more ships than are readily available either in the sterling or in the Dollar area.

FOREIGNERS IN INDIAN EMBASSY IN U.S.A.

***876. Seth Govind Das:** (a) Will the Honourable the Prime Minister be pleased to state whether Government are aware that there are only about 20 Indians working on the Indian Embassy Staff in the United States of America out of the total number of about 300 clerks working there?

(b) Have Government considered the employment of more Indians on the Embassy staff in the United States of America?

Dr. B. V. Keskar (Deputy Minister for External Affairs and Commonwealth Relations): (a) The total number of ministerial and inferior servants in the Chancery including the Information Services in the Embassy at Washington is 98, of whom six are Indians. The non-Indians are mostly British or British Canadian subjects recruited locally on a contract basis.

(b) In accordance with the accepted policy of the Government of India that all appointments in Indian Missions abroad should, as far as possible, be held by Indians, the non-Indian staff in the Indian Embassy, Washington is being replaced by Indians gradually. In the case of certain typists, routine grade clerks and the messenger staff, this change over would involve heavy additional expenditure and is therefore not considered desirable at present.

Seth Govind Das: Is it a fact that there are many people from India who applied to Government to join the staff on the same pay that is given to the staff which is recruited in the United States?

Dr. B. V. Keskar: Persons who are sent to Washington or any other Embassy, are sent from the staff which is working in the External Affairs Department here. Any direct application to the Embassy at Washington cannot be entertained, because all persons who are taken on are taken on here according to rules.

Shri H. V. Kamath: Is it a fact that none of our Embassies or Consulates abroad is completely staffed by Indians?

Dr. B. V. Keskar: It is true but my honourable friend is aware that some of the staff in places like London and Washington, which were working before, had been recruited from British or British-Canadians or from the nationals of the country where our Embassies or Missions existed, and it is not possible for us to dismiss them or do away with the staff which has been engaged on a contractual basis. When their contracts expire, we will take the first opportunity of replacing them by Indian staff and I may inform my honourable friend that it is being done now.

Prof. N. G. Ranga: Does this number, 98, include those employed by the Purchasing Mission also, and if not, how many of those employed in the Purchasing Mission are Indians and how many of the others are non-Indians?

Dr. B. V. Keskar: I have not the figures here. If my honourable friend wants it I will supply them.

Shri H. V. Kamath: So it does not include the staff of the Purchasing Mission.

Dr. B. V. Keskar: No Sir.

Shri R. K. Sidhva: May I know what is the salary paid to the steno typists and clerks?

Dr. B. V. Keskar: I am sorry I have not got the information here. I think the pay differs according to grades.

Shri Deshbandhu Gupta: Have Government considered the desirability of employing at least temporarily some of the students and scholars sent from here at Government cost and whom we are not able to employ here after they finish their studies there?

Dr. B. V. Keskar: Ex-scholars or ex-students who are studying in the United States, if they are fit by their qualification for service in the External Affairs Ministry, can be taken by the Ministry and then asked to work in that particular Embassy; otherwise, students who go out for different subjects need not, at the same time, be fit to do some work in the Embassy at Washington or New York.

Shri Deshbandhu Gupta: My question is.....

The Honourable Shri Jawaharlal Nehru *rose—*

Mr. Deputy Speaker: The Honourable the Prime Minister.

Shri Deshbandhu Gupta: My question is whether Government have at all considered the desirability of doing so.

Mr. Deputy Speaker: Order order. The Honourable the Prime Minister.

The Honourable Shri Jawaharlal Nehru: May I point that there is no difference of opinion between any Member of Government and any other member of this House about the extreme desirability of employing Indians and only Indians as far as possible in all our foreign establishments. The only question is of certain difficulties in regard to finance and personnel. It is not merely a question of salary. If a person is sent from here to there, we are responsible for sending not only him but sending his whole family from here to there, so that the expenses involved become considerable. Now, this figure of 93, or whatever it is, is a figure which consists largely of low grade clerks and messenger boys and the like. Now, if we send people of that grade from here, the cost is far greater than the salary involved. I have no doubt that ultimately we should keep everybody in a foreign establishment who is an Indian, but the fact is that immediately it will be difficult to get either the required personnel of that type because that type of personnel who are very good typists and very good men when here, when sent there they require a considerable period of time to fit in with the new environments and therefore may become rather a burden than help. Of course, we want to do that gradually, but the expense is considerable.

As for the suggestion made by Mr. Deshbandhu Gupta about students, undoubtedly they should be employed, but the students who are sent are sent for special studies, not to become second grade clerks in America!

Seth Govind Das: But may I know whether there are some such people available who would be willing to go from India without taking their family?

Mr. Deputy Speaker: Next question.

Shri H. V. Kamath: Is there any foreign embassy. . . . .

Mr. Deputy Speaker: I have called the next question.

Repatriation of Indians from Malaya

***877. Seth Govind Das:** (a) Will the Honourable the Prime Minister be pleased to state whether it is a fact that batches of Indians are being externed and repatriated from Malaya to India and if so, how many Indians have so far been repatriated and on what grounds?

(b) What is the total number of casualties, killed and wounded, of Indians living in Malaya up to date in the Malayan disturbances?

Dr. B. V. Keskar (Deputy Minister for External Affairs and Commonwealth Relations): (a) The attention of the honourable member is invited to the reply given to Starred Question No. 416 by Shri V. C. Kesva Rao on the 16th February 1949. The latest information shows that 58 Indian nationals have so far been repatriated to India from Malaya.

(b) The necessary information is available only up to 31st December 1948 and is as follows:

	Killed	Injured
Indian Regular Police	6	29
Indian Special Constables	7	4
Indian Civilians	11	14

ISRAEL'S APPLICATION FOR MEMBERSHIP OF UNITED NATIONS

***878. Shri H. V. Kamath:** Will the Honourable the Prime Minister be pleased to state whether Israel has applied for admission to membership of the United Nations?

Dr. B. V. Keskar (Deputy Minister for External Affairs and Commonwealth Relations): Yes. Israel applied for admission to the membership of the United Nations and the application was referred to the Security Council under Article 4 of the Charter. The Security Council did not recommend to the United Nations General Assembly Israel's application as it did not obtain the necessary majority in the Council in support of this application. It is not known whether Israel has renewed this application for membership or not.

Shri H. V. Kamath: Has the Deputy Minister's attention been drawn to the Press report this morning—I wonder if he reads the papers every morning—has his attention been drawn to the Press report this morning that Israel's application for membership of the United Nations has been brought forward on the Security Council's agenda to be taken as the first item of discussion today?

Dr. B. V. Keskar: If it is taken, the question will then arise. Secondly we are not members of the Security Council; so it does not arise for us.

Shri H. V. Kamath: That is not the question. The question is: Is the question of supporting the application of Israel for membership of the U.N.....

Dr. B. V. Keskar *rose*—

Shri H. V. Kamath: I have not finished my question—is the question of supporting the application of Israel for membership of the U. N. under the consideration—active or otherwise—of Government?

Dr. B. V. Keskar: The question is not before us. It is before the Security Council, and as I said we are not members of the Security Council, so it does not arise for us.

Mr. Deputy Speaker: Next question.

Shri H. V. Kamath *rose*

Mr. Deputy Speaker: I have called the next question. The matter does not relate to the Government of India. It is for the Security Council. Next question.

MINISTERS OF DIFFERENT RANKS IN GOVERNMENT OF INDIA

*879. **Shri H. V. Kamath:** Will the Honourable the Prime Minister be pleased to state:

(a) the status, emoluments, functions and powers of a Minister of cabinet rank, a Minister of State, and a Deputy Minister respectively; and

(b) whether any increase in the number of Ministers in any category or categories is contemplated in the near future?

The Honourable Shri Jawaharlal Nehru: (a) The emoluments of a Minister of Cabinet rank are governed by the provisions of the Salaries of Ministers Act, 1947. He is entitled to a salary of Rs. 3,000 per month, and a sumptuary allowance of Rs. 500 per month. In addition, he is entitled to a rent free residence. A Minister of Cabinet rank is in general charge of the administration of the Ministry or Ministries entrusted, to him. As a member of the Cabinet, he also shares in the collective responsibility of the Cabinet as a whole.

The salary of a Minister of State is the same as that of a Minister of Cabinet rank, but the former is not entitled to any sumptuary allowance or to a rent free residence. A Minister of State has the same powers as a Minister of Cabinet rank so far as his own Ministry is concerned, but is not a member of the Cabinet. He attends meetings of the Cabinet only when specially invited to do so in connection with any subject for which he is responsible.

The salary of a Deputy Minister is Rs. 2,000 per month. He is not entitled to any allowances or to a rent free residence. He assists the Minister to whom he is attached in the performance of such functions as may be assigned to him by the Minister.

(b) There is no such present intentions.

Shri H. V. Kamath: Are there Ministers of State with portfolio and Ministers of State without portfolio, that is to say, without any subject for which he or they are responsible?

The Honourable Shri Jawaharlal Nehru: I presume the honourable member is referring to the Minister of State in the Transport and Railway Ministries.

Shri H. V. Kamath: No, no. Just behind the Prime Minister is the Minister of State without portfolio I am referring to.

The Honourable Shri Jawaharlal Nehru: Oh! Yes, the Chief Whip has the status and position of a Minister of State and is responsible for certain parliamentary activities and also he is connected with the Prime Minister's Secretariat in this matter.

Seth Govind Das: Will the Honourable the Prime Minister make a statement now that before the new election there would be no further appointments as far as Ministers of State are concerned?

The Honourable Shri Jawaharlal Nehru: I have not followed the question.

Mr. Deputy Speaker: He wants an assurance from the Honourable the Prime Minister that before the next election no more appointments of Deputy Ministers will be made.

The Honourable Shri Jawaharlal Nehru: If I gave that assurance, it might not be approved of by other members of the House!

Shri Mahavir Tyagi: May I know why there is a difference in the salary of the Ministers of Cabinet rank and the State Ministers and Deputy Ministers? I want to know particularly as to whether this difference has been made because they differ in their capacity for work or in their ability or qualifications?

Mr. Deputy Speaker: The honourable member is giving the reason himself.

Shri Mahavir Tyagi: No, Sir. I want to know.....

Mr. Deputy Speaker: I have heard sufficiently.

Shri Mahavir Tyagi: Is that question disallowed, Sir?

Mr. Deputy Speaker: Yes.

Shri Mahavir Tyagi: Then I want to put another question.

Mr. Deputy Speaker: No.

Shri M. Tirumala Rao *rose*—

Shri Mahavir Tyagi: May I know if it is a fact. . .

Mr. Deputy Speaker: Order, order. Mr. Tirumala Rao.

Shri M. Tirumala Rao: With reference to part (a) of the question, is it necessary that there should be so many categories of Ministers such as Cabinet Ministers, Ministers of State and Deputy Ministers, when more or less their functions seem to be identical?

The Honourable Shri Jawaharlal Nehru: Obviously they were appointed because it was considered necessary.

Shri M. Tirumala Rao: Besides salaries and emoluments, is there any difference in their status and functions?

Mr. Deputy Speaker: That question has been answered already.

Shri Mahavir Tyagi: Is it a fact that only recently orders were issued that Deputy Ministers will not be allowed to fly the National Flag over their residences?

Mr. Deputy Speaker: How does it arise out of this question?

Shri Mahavir Tyagi: It arises from the status and privileges of different categories of Ministers.

Mr. Deputy Speaker: I do not think it arises.

Shri Mahavir Tyagi: Is it a fact that the Triangle which used to decorate the cars of Ministers was removed from the cars of the Ministers of State?

Mr. Deputy Speaker: Such details ought not to be raised here. They should be left to the Prime Minister who is in charge of the Cabinet as a whole.

This question has been answered sufficiently. Next question.

FOUR YEAR ECONOMIC PLAN FOR U. K.

***880. Shri H. V. Kamath:** Will the Honourable the Prime Minister be pleased to state:

(a) whether at the Commonwealth Prime Ministers' Conference in London which he attended in October, 1948, the four year economic plan for the United Kingdom was discussed; and

(b) whether any commitment on behalf of India was made in connection therewith, and if so, what it was?

The Honourable Shri Jawaharlal Nehru: (a) and (b). The discussions at the Commonwealth Prime Ministers' Conference were confidential and whatever was decided to be made public was contained in Press communiques issued at the time. I might, however, add that statements were made on behalf of the United Kingdom Government about their plans for the information of the Conference. There was no question of any commitment; none was asked for and, none was made.

Shri H. V. Kamath: Is it a fact that the press communique issued at the conclusion of this conference mentioned that there were discussions regarding the formation of a Western Bloc in Europe as well as about Commonwealth defence?

The Honourable Shri Jawaharlal Nehru: The honourable member is apparently trying to push in another question here which he has also put separately.

Shri H. V. Kamath: I have not put any other question at all. I do not know what question the Honourable the Prime Minister is referring to.

The Honourable Shri Jawaharlal Nehru: I cannot obviously state from memory what a certain press communique said or did not say. I should like to inform the House that whatever was said or done there was in the nature of statements made by representatives of other governments for the information of others. There is no question of any commitment on our part, or in fact on any Government's part.

Shri H. V. Kamah: The answer of the Honourable the Prime Minister referred to some press communique issued at the close of the Conference. As we have not had the benefit of seeing the communique, will the Prime Minister be so good as to place a copy of it on the table of the House?

The Honourable Shri Jawaharlal Nehru: It is not possible for me to remember all the press communiques issued anywhere.

Shri H. V. Kamath: Will the Honourable the Prime Minister lay on the table of the House either a statement on the contents of the press communique or a copy of the same, as we have not seen it in India?

The Honourable Shri Jawaharlal Nehru: There were press communiques after every day's meeting of the Conference. It was not just one; sometimes there were such communiques twice a day. There were a number of meetings at every conference, after which such communiques were issued.

HOLDING UP OF IMPORTED AND OTHER GOODS IN KARACHI

***881. Shri Deshbandhu Gupta:** Will the Honourable Minister of Relief and Rehabilitation be pleased to state:

(a) the estimated value of the consignments of imported machinery and goods belonging to residents of India held up in Karachi or goods purchased before 15th August, 1947 by them in territories which now form part of Pakistan which have not been delivered so far and for which claims have been registered with Government?

(b) the steps taken by Government to recover the same and the result thereof; and

(c) the action which Government propose to take in the matter?

The Honourable Shri Mohan Lal Saksena: (a) The information is not available.

(b) and (c). As a result of Inter Dominion discussions, India and Pakistan have agreed that applications for the recovery of such goods should be favourably considered. A copy of the Press Note issued by the Ministry of Commerce, informing the Indian Merchants of the procedure they should follow for getting release of their consignments held up at Karachi, is laid on the table of the House. Our Trade Commissioner in Pakistan, has also been instructed to render all possible assistance to these merchants in the matter.

PRESS NOTE

Procedure for Release of Imported Goods held up at Karachi

Agreement exists between India and Pakistan that imported goods—shipped to and paid for in either Dominion before December 31, 1947 out of the undivided exchange account—should be allowed to be re-exported to the other Dominion wherever it is established that the goods were originally intended for consumption in that Dominion. This was one of the decisions reached at the Inter Dominion Conference in Karachi in May 1948, when the question of securing the release of goods intended for India but originally imported into Karachi was considered.

While certain quantities of such goods are being released, considerable difficulty—often of a procedural character—is still being experienced by merchants in India whose goods have been so held up. In order to facilitate the early release of such goods, persons or firms whose consignments are still under detention should apply for export permits to the Chief Controller of Imports and Exports, Government of Pakistan, Karachi, with the necessary documentary evidence including Bill of Lading, Exporters' Invoice, Customs Bill of Entry and Bank Certificate regarding the place, date and mode of payments.

They should also send copies of their applications to the Indian Government Trade Commissioner in Pakistan, Mohatta Building, Mcleod Road, Karachi.

Ministry of Commerce,

New Delhi, October 26, 1948

Shri Deshbandhu Gupta: May I know whether any effort was made by the Relief and Rehabilitation Ministry to collect this information and whether or not they received several representations from Indians whose goods are lying at Karachi for the last two years?

The Honourable Shri Mohan Lal Saksena: As a matter of fact this was the function of the Commerce Ministry and a press note was issued by the Commerce Ministry in that behalf asking persons having consignments at Karachi to get into touch with the Imports and Exports Controller, Government of Pakistan, Karachi.

Shri Deshbandhu Gupta: Is it because the Pakistan Government did not cooperate in the matter or is it because of our own indifference in the matter?

The Honourable Shri Mohan Lal Saksena: It is not because of our indifference. We have got our own Trade Commissioner in Pakistan who was also directed to give all possible help to these merchants.

Shri Deshbandhu Gupta: Have not Government estimated the value of the goods lying there which would be worth many lakhs?

The Honourable Shri Mohan Lal Saksena: They may be worth lakhs or even crores. The whole point is that to get back their consignments, they were requested to get into touch with our Trade Commissioner in Pakistan and also the Exports and Imports Controller, Commerce Ministry and if they had done it I am sure they would have received all possible help.

Shri Deshbandhu Gupta: Is it not a fact that the Government received a representation from the Iron dealers of Delhi in respect of goods worth about 8 lakhs purchased by them prior to August 15th, 1947 and which have not been delivered to them yet?

The Honourable Shri Mohan Lal Saksena: So far as I am concerned I am not aware of it but if the honourable member wants me I will make enquiries from the Commerce Ministry.

Shri Deshbandhu Gupta: Have not the papers been referred to the honourable Minister?

The Honourable Shri Mohan Lal Saksena: I will require notice of that.

Shri R. K. Sidhva: Is it not a fact that the Pakistan Government in Karachi have banned the export from Karachi of iron and steel goods? Is it not a fact that several merchants in Bombay have also made representations to Karachi and they have not been able to remove their goods from Karachi for the reason that there is a ban on them?

The Honourable Shri Mohan Lal Saksena: It is a fact that Pakistan has banned the export of certain goods and it is provided in the agreement that if the consignments contained any of those goods they will not be re-exported. They will be liable to be sold in Pakistan itself.

DISPERSAL OF REFUGEE IN CAMPS

†*882. **Lala Raj Kanwar:** Will the Honourable Minister of Relief and Rehabilitation be pleased to state:

(a) the names of Refugee Relief Camps still working in India with their location and the number of inmates in each camp;

(b) when each of these camps is likely to be closed; and

(c) the arrangements proposed to be made for the disposal of the inmates of such camps before their closure?

The Honourable Shri Mohan Lal Saksena: (a) The honourable member is referred to reply to part (c) of Starred Question No. 115 by Giani Gurmukh Singh Musafir on the 3rd February, 1949.

(b) Government of India have advised the Provincial Governments to convert the Relief Camps into Work Centres, as soon as possible. It is not possible to state the exact date of closing each camp.

(c) The proposal is to reduce by progressive stages distribution of gratuitous relief and at the same time to arrange for giving remunerative work for such of the persons as are not able to find gainful employment. Persons, who have found gainful employment, will be permitted to continue to stay in the Camps until alternative accommodation is provided under the various housing schemes.

PRODUCTION AND CONSUMPTION OF PETROL

†*883. **Lala Raj Kanwar:** Will the Honourable Minister of Works, Mines and Power be pleased to state:

(a) the figures of production and consumption of petrol in the country for each of the last three years;

(b) whether any attempts have been made in recent years to discover fresh sources of supply of petrol.

(c) if so, with what results; and

(d) when the present control over the distribution of petrol is likely to be removed?

The Honourable Shri N. V. Gadgil: (a) A statement giving the information is laid on the table.

(b) Yes. Search for mineral oil has always formed an important part of the activities of the Geological Survey of India. The programme for 1948-49 includes a detailed geological and geophysical investigation for oil in Cutch, Kathiawar, Assam and East Punjab.

(c) The investigations are still in progress and it is not possible to judge the result at present.

(d) The question of de-control of petrol is constantly under review. But it is not possible at present to abolish petrol rationing in view of the supply position, inland transportation capacity and the need for controlling distribution during emergencies. The position is, however, constantly under review with a view to lifting the control as soon as conditions permit.

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† Answer to this question laid on the table, the questioner being absent.

STATEMENT

Production		(Only for territories in Indian Union)
1946	19,418,400 Gallons	Approximate
1947	17,439,360 Gallons	
1948	14,366,950 Gallons	

Consumption		(Only for territories in Indian Union)
1946	118,682,000 Gallons	Approximate
1947	136,253,440 Gallons	
1948 (up to September)	111,219,429 Gallons	

LOTTERY TO RAISE FUNDS FOR REHABILITATION OF REFUGEES

*884. **Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state whether an application has been received from the Government of East Punjab to start a state lottery to raise funds for the rehabilitation of refugees?

(b) What are the details of the lottery and what decision have Government taken in the matter?

The Honourable Shri Mohan Lal Saksena: (a) Yes.

(b) No details were received. The proposal was not acceptable to the Government of India.

Prof. N. G. Ranga: Has the proposal been dropped?

The Honourable Shri Mohan Lal Saksena: Of course it has been dropped.

Shri R. K. Sidhva: What are the reasons for not considering it feasible?

The Honourable Shri Mohan Lal Saksena: The reasons for the rejection are:

(i) Government did not subscribe to the view that the end justified the means. A lottery is only an appeal to the gambling instincts and should not be encouraged by the Government on moral grounds.

(ii) Those who will gamble (and there may be refugees amongst them) may not be in a position to afford to do so.

(iii) The Government accepted the task of rehabilitation of displaced persons as a sacred trust to be discharged out of its general resources. It could not be held that lack of funds alone was responsible for delay in this work.

(iv) For a Government to resort to a lottery for raising funds is to admit its bankruptcy and it would adversely affect its credit both inside and outside the country.....

Honourable Members: That is enough.

Shri Deshbandhu Gupta: May I know whether this is the personal view of the Honourable Minister or the matter was considered by the Cabinet as a whole?

The Honourable Shri Mohan Lal Saksena: As a matter of fact when I am making an answer it is supposed to be my view.

Shri V. C. Kesava Rao: May I know whether there is any proposal before the Government to abolish lotteries all over the country?

The Honourable Shri Mohan Lal Saksena: I think this question should be addressed to the Honourable the Home Minister.

Mr. Frank Anthony: Since life itself is generally accepted as a gamble do Government consider doing away with human life in this country?

Shri R. K. Sidhva: In view of the fact that the Government of India has already introduced a system of lottery for loans every three years or every year I do not remember the period.....

Mr. Deputy Speaker It is an argument.

Shri M. Tirumala Rao: In view of the fact that prize bonds which have been instituted as a savings scheme do not constitute a lottery, will Government reconsider their decision in regard to this?

Mr. Deputy Speaker: That is another piece of argument.

Shri Deshbandhu Gupta: May I know whether the Honourable the Prime Minister agrees with the view expressed in the House by the Honourable Minister for Relief and Rehabilitation?

Mr. Deputy Speaker: Such details they are not bound to go into.

(*b*) WRITTEN ANSWERS

URBANISATION OF CERTAIN LOCALITIES IN NEW DELHI

***885. Pandit Mukut Bihari Lal Bhargava:** (a) Will the Honourable Minister of Works, Mines and Power be pleased to state whether it is a fact that the Government of India contemplate urbanisation of the localities known as Parliament Street, Queensway and Minto Road by constructing multi-storeyed buildings in place of the existing single storeyed buildings and on the open spaces in between and around the present buildings?

(b) Is it proposed to pull down the existing single-storeyed buildings and to replace them by new multi-storeyed buildings?

(c) If so, what would be the expenditure in pulling them down?

The Honourable Shri N. V. Gadgil: (a) Yes, Government have accepted the principle of urbanisation of these localities.

(b) It is not proposed to pull down all existing buildings simultaneously but to replace them gradually by multi-storeyed buildings according to a carefully worked out and phased programme of development.

(c) Urbanisation schemes in respect of these localities have not yet been fully worked out and so the total expenditure likely to be incurred cannot yet be estimated. I may however add that having regard to the value of land in these localities the gradual replacement of single-storeyed buildings by multi-storeyed structure will be very good investment when the urbanisation schemes are completed.

CONSTRUCTION OF QUARTERS IN DELHI

***886. Pandit Mukut Bihari Lal Bhargava:** (a) Will the Honourable Minister of Works, Mines and Power be pleased to state whether the Government of India have any scheme for constructing quarters for Class III and Class IV Secretariat staff of the Central Government Offices in Delhi?

(b) If so, has any scheme been prepared and at what cost?

(c) What are the details of the said scheme and by which time is it likely to be completed?

The Honourable Shri N. V. Gadgil: (a) Yes.

(b) and (c). A statement is laid on the table of the House.

STATEMENT

S. l. No.	Name of scheme	Amount of administrative approval	Parts of schemes	Date of commencement	Probable date of completion: Building portion	Probable date of completion: Internal services	Probable date of completion: External services	Progress of work up to 31st January 1949.	Remarks
1	2	3	4	5	6	7	8	9	10
(1)	Construction of 200 Officers' flats, New Delhi.	53,81,275	(a) 28 Blocks of 112 flats on Cornwallis Road.	7-7-48	6-10-49	20-10-49	31-10-49	Out of 200, work on 196 flats is in hand. 16 flats have reached the first floor level.	(1) 80 flats on Gold link Road started late due to extra time needed on the preparation of site. There has been a delay in the manufacture of doors and windows due to difficulties of transport.
(2)	Construction of 1000 Clerks' quarters at Factory Road.	91,73,000	(a) 384 quarters	2-7-48	1-7-49	15-7-49	15-7-49	(a) Work on all the quarters in Progress. 60 quarters have reached the first floor level.	(2) The quarters can be connected for sewage disposal when trunk sewer is completed. Tenders for to trunk sewer have been called for and work likely to commence from 1-3-49. Trunk sewer is likely be completed by end of September 1949. There has been a delay in the manufacture of doors and windows due to difficuttires of transport.
			(b) 376 quarters	30-8-48	31-5-49	15-6-49	15-7-49	(b) Work on all quarters in progress. 56 quarters have reached the 1st floor level.	
			(c) 240 quarters	5-1-49	5-9-49	20-9-49	20-9-49	(c) Excavation work has commenced in 64 qrs.	
(3)	Construction of 1000 Peons' quarters at Kotla Mubarkshah.	34,00,000	1000 quarters	27-3-48	31-5-49	31-5-49	30-6-49	Work on all quarters in progress. 158 qrs. have reached the roof level (both storeys) and in addition 146 have reached first floor level.	Same as for item 2 above.

(4)	Construction of 1000 clerks' quarters at Timarpur.	91,73,000	(a) 336quarters (b)664quarters	8-10-48	8-4-49	23-6-49	30-6-49	(a) Work is in progress on 332 quarters. 4 quarters have reached the 1st floor level.	For the remaining 664 quarters site is not yet available and the matter is under correspondene with the Chief Commissioner for Chandrawal site will take 512 quarters only. The rest 152 quarters will be taken after the dismantlment of old quarters at Timarpur and clearance of site. There has been a delay in the manufacture of doors and windows due to difficulties of transport.
(5)	Construction of 250 Peons quarters.	6,00,000	(a) 72 quarters (b) 178 quarters	15-9-48	15-4-49	15-4-49	15-4-49	Work on 56 quarters in hand. 24 quarters have reached 1st floor level.	The remaining 178 can be commenced only when old quarters at Timarpur are dismantled and site cleared for that purpose.
(6)	Construction of 665 quarters for W.C. staff.	15,96,000		above 100 quarters have been commenced. Tenders have been called for the rest.					Work on 100 quarters has just been commenced. For others tenders are being invited. The work is likely to be completed by end of 1949.
(7)	Construction of 36 Clerks' quarters Karolbagh.	4,80,000							Site previously proposed for the quarters has been taken over by R.R. Ministry and as such this work could not be commenced.

REPORT OF SRI RAM COMMITTEE ON TRADE AND COMMERCE

*887. **Pandit Mukut Bihari Lal Bhargava:** (a) Will the Honourable Minister of Commerce be pleased to state whether the Government of India have received the report of the Sri Ram Committee appointed by the Export Advisory Council on Trade and Commerce?

(b) If so, what are the main recommedations made by that Committee and have Government taken any decision thereon?

(c) Have any steps been taken by Government to implement any of the recommendations made and if so, in what respect and with what results?

(d) What steps have been taken so far by Government to step up India's export trade to hard currency areas and how far have such efforts been successful?

The Honourable Shri K. C. Neogy: (a) Yes.

(b) A copy of the report is laid on the table of the House.

(c) and (d). Most of the recommendations of the Committee, particularly those relating to raw jute, jute goods; tourist traffic, tea, cloth, hides and skins, manganese ore and various miscellaneous items, have either already been implemented or have been accepted in principle and are in the course of implementation. As the honourable member will appreciate, however, it will take some time to assess the results of steps taken by Government either on the recommendation of the Sri Ram Committee or otherwise to step up exports from India to hard currency countries. Moreover, Government's export policy is not the only factor affecting earnings of hard currency which are very largely influenced by other factors such as prices, competition from other countries and the nature of demand in the buying countries. On the whole, I may say that Government's policy has been one of constant liberalisation and active encouragement of exports to hard currency areas and the earnings from hard currency countries over the second half of 1948 have displayed an upward trend, though it would be too early to say to what extent the trend can be sustained and improved upon in the coming months.

STATEMENT

Report of the Committee appointed by the Export Advisory Council to recommend to Government the steps to be taken to increase India's exports to hard currency countries.

The Committee consisting of the following met on the 23rd November, 1948 from 9-30 A.M. to 1 P.M. and again from 2-30 P.M. to 5 P.M.

Sir Sri Ram—*Chairman.*

Mr. Tulsidas Kilachand—*Member.*

Mr. Neville Wadia—*Member.*

Mr. A. Jalil—*Member.*

Mr. Paspatti—*Member.*

Mr. M. P. Pai—*Representative, Ministry of Industry and Supply.*

Mr. S. Basu, Mr. S. Raj } *Representatives, Ministry of Agriculture.*

Mr. K. N. Kaul—*Representative, Ministry of Finance.*

Mr. L. K. Jha—*Member-Secretary.*

2. During its deliberations, the Committee invited representation of Messrs. Thomas Cook & Sons and Messrs. Govan Bros. Ltd. to advice on the question of promoting tourist traffic, Mr. D. C. Ghosh to advise on the subject of tea exports to hard currency areas, Mr. Ramdas Kilachand to advise on the subject of exports of oils and oilseeds to dollar countries and Mr. B. N Banerji of the Ministry of Commerce to advise in regard to the raw jute situation.

3. The Committee felt that in general, exports to hard currency areas should be as free from restrictions of any kinds as possible and the question of issuing open general licences for export to hard currency areas in respect of different commodities should be examined.

4. The Committee then proceeded to the discussion of the following items which were of special importance from the angle of exports to hard currency countries :

(a) *Raw Jute.*—The question was raised whether the export of raw jute upto the figure agreed to with Pakistan should be permitted to hard currency countries and to countries from which special advantages were obtained in return reagrdless of any possible repercussion on the jute industry which the total export of 9 lakh bales of raw jute might result in. The Committee felt that the target of exports should undoubtedly be 9 lakhs bales of raw jute but if the supply position of raw jute for the consumption of the Indian Jute industry continued to be critical, the following order of priority might be adopted in dealing with the question :

(i) Exports of jute goods to hard currency areas and countries with whom special agreements were made.

(ii) Exports of raw jute to hard currency areas and countries with whom special agreements were made.

(iii) Exports of jute goods to soft currency areas.

(iv) Exports of raw jute to soft currency areas.

(b) *Jute Goods.*—The present licensing position for hard currency areas was explained and the Committee agreed that the *status quo* should be maintained.

(c) *Oils and Oilseeds.*—The system of present quotas was explained and it was pointed out that small quotas of both linseed and groundnut had been set aside for export to hard currency areas, for which licences would issue to any party who was able to do the business. The main difficulty however was that the hard currency areas, was a rule, were not prepared to pay the present Indian prices plus duty.

It was suggested that the duty might be removed and any possible loss of revenue made up by having a small tax on the crushing of oil. As against this, the view was expressed that it might mean the raising of the price of groundnut oil, which would not be desirable.

From the prices quoted, it appeared that even with the removal of duty, the hard currency areas might not find Indian prices attractive. It was suggested therefore that if licences to soft currency areas were given to exporters in proportion to their actual exports to hard currency areas there might be an impetus to the exporters to sell even at a small loss to hard currncy areas, which they would recoup from the soft currency areas.

The conclusions which the Committee came to were the following :

(i) The existence of the export duty made Indian groundnut and groundnut oil unsaleable to the hard currency areas and Indian linseed and linseed oil even to the soft currency areas. The case for the removal of duty was therefore clear although some members felt that to prevent a rise in internal prices the duty on groundnut and groundnut oil might be removed by stages.

(ii) Since the hard currency areas preferred to import the kernel or the seed in preference to the soil, exporters should be given the option to export the equivalent quantity of seed instead of the oil to the hard currency areas and if necessary, the ratio of the oil to the seed could be raised to the soft currency areas so as to maintain the over-all ratio between oil and seed.

(iii) Even the adoption of the above two measures would not suffice and exporters would find it economic to sell oils and oilseeds to hard currency areas only if for each ton they are able to export to a hard currency area they are given a licence to export a ton and a half to a soft currency country. This is on the assumption that the duty will have been removed. So long as the duty continues, exporters would only find economic to export to the hard currency areas if for each ton they export to them they are enable to export two tons to a soft currency area.

(d) *Tourist Traffic.*—The Tourists constitute what is known as the invisible exports of a country. The potentialities of earning dollars by encouraging tourist traffic are considerable and it is estimated that each tourist would spend anything between 2 to 5,000 rupees in a month's stay in the country and with some encouragement, the number of tourists would easily be in a neighbourhood of 5,000 a year or more. If tourists are to be encouraged the following steps are, in the opinion of the Committee, necessary :

(i) Easy and prompt grant of visas. It was reported that at present visas are not being given to tourists as such.

(ii) Special facilities to book railway accommodation, provided notice of a week is given, they should provide decent accommodation even at the cost of other traffic.

(iii) Adequate hotel accommodation of suitable standard. It was brought to the Committee's notice that hotel accommodation was difficult in Calcutta, Bombay and Delhi but in the other tourist centres, such accommodation was available. There had however been a general lowering standards of service in all hotels. It was suggested that an Inspector should be appointed to supervise the hotels particularly the rooms reserved for tourists. The Inspector should see that standards in regard to food and service are maintained and improved.

(iv) Establishment of a special Government organisation to deal with the tourist traffic. The organisation should work through a number of Travel Bureaus at all important centres.

(v) Provision of special facilities and amenities to tourists, which should include permission to use Government bungalows and dak bungalows, improved standards of hotel accommodation, facilities for joining clubs and taking part in sports, issue of petrol coupons, supply of drinks, arranegments for shikar and opportunities for cultural contacts. Performances of Indian dancing sponsored or encouraged by the State would help.

(vi) Publicity and propaganda abroad would be necessary. The various travel agencies are equipped for the purpose and ready to undertake publicity as soon as they know that tourist traffic would be specially catered for. Additional propaganda by Government should be undertaken through the supply of posters, etc. Arrangements should also be made to publicize places which have not in the past been tourist spots, but which are likely to prove attractive. Easily under standable road charts should also be prepared.

(e) *Tea.*—There had been a decline in the exports of tea from India to U. S. A. Apart from the long-range measures to popularise tea in the States, the immediate need was to see that as large a proportion as possible of the tea consumed by the U. S. A. came from India and was supplied direct so that the dollar earnings accrued to India. The export duty on tea, it was felt, was a possible handicap in the way of India tea competing against the tea of other countries particularly Ceylon and it was felt that a reduction in the export duty and an increase in the excise duty might better serve the needs of revenue as well as of export to dollar areas. In this matter it would be preferable for the Government of India to act in consultation with the Government of Ceylon.

It was considered that the sales tax on South Indian tea which was causing a lot of confusion and difficulty should be removed so far as export of tea was concerned and the matter should be urgently pursued independently of the wider question of having a uniform sales tax system for the whole of India.

Other steps to help tea exports are improvement in the transport arrangements, increased storage space at the port of Calcutta and a review of the two per cent. commission at present charged by the auctioners of tea.

The question whether the export of tea should be subject to destinational quotas was discussed. While *prima facie* it was considered desirable to have a system of destinational quotas with a view to maximining dollar earnings it was considered, that the peculiar circumstances of the tea industry required that the proposition should be discussed with the tea industry more fully before any such step was taken.

It was considered desirable that some ways should be found to prevent the tea which was earmarked for export from being diverted for internal consumption.

(f) *Cloth.*—It was felt that the export of cloth to hard currency areas should be free from all the restrictions regarding qualities, etc., which attached to soft currency areas. The quota of 77 million yards should be available for the export of piecegoods of manufactures and for mill products and handloom goods alike. The fact that handloom cloth should also go under the scheme should be publicised further.

The existence of export duty even at the present reduced level was sufficient to shut out the hard currncy market. Even from the point of view of the soft currency areas, it seemed clear that very soon the ten per cent. duty would act as an impediment to export and it was felt therefore that the duty would better be removed completely. It was suggested that a possible way of making up the revenue so lost would be to have heavy excise duty on fine and superfine cloth.

The question of giving a rebate of the import duty on raw cotton where the cloth was being exported was discussed. It was felt that as a general rule it would be very difficult to decide which cloth had been manufactured out of imported cotton. The principle of

rebate might with advantage be confined to fine and sueprfine cloth only. As fine and superfine cloth is not generally allowed for export, but would, if the recommendation of the Committee is accepted, be so allowed for hard currency areas, the rebate would in effect amount to a subsidy to the hard currency area exports, which would be unexceptionable from the point of view of the I. T. O. Likewise if there was any difficulty at all in removing the export duty on all cloth immediately, the duty on fine and superfine cloth might be removed forthwith because this again would normally only go to the hard currency areas.

(g) *Mica and shellac.*—Both these commodities are important dollar earners. There is however no shortage in the country and hence they are not subject to any kind of export control. There is reason to believe however the taking advantage of this position, some countries are importing these two commodities from India and re-exporting them to dollar countries. It would be desirable therefore to bring them under control. Simultaneously, an open general licence for the export of these commodities to the hard currency areas should be issued so that the existence of the control does not in any way impede exports to the hard currency areas. In respect of soft currency countries also since supplies are not short, the policy should be of free licensing except in respect of countries which are known to have tried to earn dollars at our expense unless there is some assurance from them in regard to re-exports. Countries like France, Hongkong and perhaps Netherlands, which have got different rates of exchange for the sterling and dollar respectively should be particularly watched. In respect of mica, the point whether transport facilities are adequate should be examined.

(h) *Gums and resins.*—These are also in the same position as shelac and mica except that there has not so far been any reason to suspect that other countries are trading in dollars at our expense. The actual exports of these commodities to various countries should be examined to see if it would be desirable to impose control over them as in the case of mica and shellac. If such a policy appears to be necessary then the licensing procedure should be as outlined against mica and shellac.

(i) *Hides and skins.*—There is considerable difference of opinion as to whether the exports of hides of the lighter varieties should at all be allowed. Hides of the lighter varieties are the only ones that would interest the hard currency countries but the present prices are reported to be unattractive. Whatever may be the general decision regarding the export of the lighter varieties of hide, their exports to hard currency areas, if at all possible, should be permitted. It would also be desirable, both from the point of the Indian tanning industry as well as of export to hard currency areas, to take steps to bring down prices to a reasonable level. It has been suggested that the existence of an export market acts as a steadying influence upon prices and gives better security to the suppliers, who are then able to supply hides at lower prices than when the demand comes exclusively from the tanners who are in the habit of offering high prices one day and low prices another. While this is a debatable view point, there is general agreement that one of the main difficulties in regard to hides at present is the transport difficulty. Hides are very perishable commodities and unless they can be booked and moved with speed, they become useless. At many stations, bookings of hides are permitted on certain days only which means that not all the available hide is collected and consigned either to an exporter or a tanner. Since the loss of hides, which might have otherwise been used, constitutes a serious economic waste of a valuable commodity, the question of removing the difficulties should be taken in hand at once. If Transport from booking stations both to port towns and tanning places in the country is made cheap and prompt, it will indirectly help as the skinning of dead animals and slaughter of uneconomical ones thus saving the good ones. The Committee also considered whether an element of stability in prices could be introduced either by the fixation of amumum and minimum prices by Government or by Government themselves offering to buy hides at a certain price. Unfortunately, they very great differences in quality between one hides and another make such a step difficult if not impossible.

In regard to skins, it was explained that U. S. and U. K. act in co-operation, one country keeping away from the market while the other is buying. As there is no reason to believe that U. S. does not, under the existing arrangements, get all the supplies that it needs, the imposition of a control on goat-skins is not considered necessary.

(j) *Manganese and other ores.*—Government have already brought these items under control recently and continued priority to their transport should make a substantial contribution to India's dollar earnings.

(k) *Raw Cotton.*—The suggestion was made that a removal of export duty on raw cotton and the fixation of destinational quotas might help in increasing its exports to the hard currency areas. Opinion on this point was divided and the view was expressed, that the removal of export duty might have an adverse effect on the prices of Indian cotton.

(l) *Miscellaneous items.*—There has recently been a decline in the export of cashewnuts and woollen carpets and rugs to the U. S. A. The reasons for this decline should be enquired into and our trade commissioners should be asked to report on the matter.

Artware and curios, as a class, are decontrolled except for some metal items, particularly brassworks over which a control is still exercised. Although it is reported that a liberal licensing policy is adopted, there are delays and it would be advisable to put them immediately under an open general licence for exports to hard currency areas if their complete decontrol is not considered possible for any reason.

5. The recommendations summarised above relate largely to the export licensing policy to be adopted with a view to maximising India's dollar earnings. It is essential however that some more positive steps in this direction should be taken to find new markets for many producers of Indian cottage industries as well as other commodities in the hard currency areas in general and in America in particular. The Committee felt very strongly that many of the fine products of Indian arts and handicraft could be readily sold in America if a special effort were made to acquaint the American market with their quality and availability. The Committee felt that three delegations each comprising of one official and one businessman with a large stock of samples of such goods worth, esay, a lac of rupees should be sent, two to America and one to Canada, to contact the big store in that country, not only to sell what they take with them but to book orders for larger and regular supplies. The samples should be numbered with duplicates maintained in India so that action can be taken at the Indian end on cabled orders from abroad. This was an important and urgent steps not only in the interests of Indian industries concerned but also as a means of opening a new source of hard currency earning.

6. Simutaneously with the attempt to educate the American market regarding Indian specialities, there should be a study of American tests in respect of commodities where India is in a position to meet American demand. Commodities like carpets as well as many textile products can be produced in India to suit American tastes provided a special attempt is made to meet them. Here again there is scope for sending out small delegations as well as for encouraging businessmen to undertake such visits themselves in order to equip themselves for the task.

7. In fact the potentialities in respect of cottage industries, art and handicraft products, are so great that Government should seriously consider whether it would not be desirable to set up a Directorate to see to their development. One of the difficulties in the way of developing their exports is the fact that standards as regards quality, packing, etc., are not always maintained and the Directorate could undertake the task of inspection to ensure that the goods despatched abroad are upto the standard. A great deal depends on the packing also. Many Indian food specialities such as Pappads and gozakas might find a ready market in the dollar areas, if properly packed in cellophane or other suitable containers. We should not be deterred by the fear that we would be exporting foodstuffs because each ounce of such commodities exported to the dollar areas would enable us to buy far more of the kind of foodgrains which the poor need. The possibilities in regard to the development of exports of Indian cottage industry products are immense, and such exports would be desirable not only from the angle of earning dollars but also of maintaining and developing a kind of industry particularly suited to Indian conditions and economy.

TRANSFER OF LOCKERS IN BANKS FROM LAHORE TO AMRITSAR

***888. Shri Deshbandhu Gupta:** Will the Honourable Minister of Relief and Rehabilitation be pleased to state:

(a) whether Government are aware that the Lahore branches of some banks which have their Head Offices in India are charging Rs. 150 as breaking fee, Rs. 100 as operation fee, Rs. 20 as Mistry's fee and three times the arrears of rent from persons who lost the keys of their lockers in August 1947 disturbances;

(b) whether it is a fact that Government intend to remove the contents of these lockers to Amritsar from where the owners may operate their lockers with ease; and

(c) if the answer to part (b) above be in the affirmative, when this proposal will materialise?

The Honourable Shri Mohan Lal Saksena: (a) In September, last year, a complaint was received regarding high charges by certain banks for operating lockers etc., in Pakistan, and the case was referred to the Ministry of Finance for having the matter investigated through the Reserve Bank of India. The Reserve Bank of India have expressed the opinion that the operation and breaking fees charged by some of the banks were fairly high but in view of the banks' explanation that they had been obliged to levy such high charges on account of the abnormal cost of maintaining the lockers in Pakistan, they did not think it necessary to pursue the matter any further.

(b) No proposal for the removal of lockers from Lahore to Amritsar has been under consideration.

(c) Does not arise?

Improvement of Foreign Publicity Service

*889. **Shri Ari Bahadur Gurung:** Will the Honourable the Prime Minister be pleased to state:

(a) whether Government have any schemes to improve the Foreign Publicity Service; and

(b) whether the Indian Embassy in Nepal has a Publicity Officer attached to it?

Dr. B. V. Keskar (Deputy Minister for External Affairs and Commonwealth Relations): (a) Yes.

(b) No.

Development of Tribal Areas on North East Frontier

*890. **Shri Ari Bahadur Gurung:** Will the Honourable the Prime Minister be pleased to state whether Government have any plans to develop the tribal areas on the North East Frontier?

The Honourable Shri Jawaharlal Nehru: The Government of India have a Five Year Plan for the development of the North East Frontier Agency and Tribal Areas. A copy is available in the Library of the House.

Import Licences for Betel Nuts

*891. **Shri Ari Bahadur Gurung:** Will the Honourable Minister of Commerce be pleased to state the basis on which licences for import of betelnuts are at present issued?

The Honourable Shri K. C. Neogy: Licences for the import of betelnuts from the sterling and soft currency countries are issued subject to monetary ceiling on the basis of past imports. A portion of the monetary allocation is reserved for licensing to new comers. No licence is, however, required for the import of betelnuts from Ceylon and Pakistan as such imports are covered by Open General Licence.

Refugees sleeping on Pavements at Night

*892. **Sardar Hukam Singh:** (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state what is the total number of refugees using pavements for sleeping during night in Delhi?

(b) What were the figures of such population in January, 1948?

The Honourable Shri Mohan Lal Saksena: (a) and (b). The information is not available.

EXCHANGE OF PRISONERS BETWEEN INDIA AND PAKISTAN

*893. **Shri Basanta Kumar Das:** Will the Honourable Minister of Relief and Rehabilitation be pleased to state:

(a) the number of prisoners exchanged between India and Pakistan;

(b) the dates on which such exchange was effected;

(c) whether there are any more prisoners not repatriated from either side and if so, the reasons therefor; and

(d) how the repatriated prisoners have been dealt with?

The Honourable Shri Mohan Lal Saksena: (a) 4080 Hindu and Sikh prisoners from Pakistan have so far been exchanged with 3,761 Muslim prisoners from India.

(b) The first exchange took place between 8th April, 1948 and 24th April, 1948. The second exchange commenced on 21st October, 1948 and lasted upto 3rd November, 1948.

(c) The main bulk of transferable prisoners has already been exchanged but there are a few cases of omission subsequently reported by either Dominion which are being investigated into by the respective Dominion authorities.

(d) Hindu and Sikh prisoners from West Punjab have been dealt with by East Punjab Government. So far as the prisoners from areas of West Pakistan other than West Punjab are concerned, the main principles of disposal are:

(i) All under-trial have been released.

(ii) Convicts have been released, provided (a) they were not habitual offenders, or (b) convicted of offences under Sections 302, 366, 376, 395, 396 and 397 I.P.C.

ISSUE OF IMPORT LICENCES

*894. **Dr. P. S. Deshmukh:** (a) Will the Honourable Minister of Commerce be pleased to state the number of licences for imports issued during each of the years 1946, 1947 and 1948?

(b) How many of them were of the value of one lakh and more?

(c) What are the names of those who were given licences to import goods worth five lakhs and more in each of the years 1946, 1947 and 1948?

The Honourable Shri K. C. Neogy: (a) and (b). I lay on the table two statements (Nos. I and II) showing the number of licences issued during the three years by the licensing authorities concerned as readily available from the records.

(c) I lay on the table a statement (No. III) showing the names of those licencees to whom licences were granted for Rs. 5 lakhs and more by the Development Officers (Tools and Non-Ferrous Metals). The corresponding information pertaining to such licences issued by other licensing authorities is being collected and will be laid on the table of the House in due course.

STATEMENT I

Total number of licences issued by the Chief Controller of Imports and his officers at the Ports during the period July 1947 to December 1948.

Year.	Total number of licences issued.	Number of licences issued for the value of Rs. 1 lakh and over.
July—December 1947	46,800	5,645
1948	132,825	16,464
Total	179,625	22,109

NOTE: —

(1) Figures prior to July 1947 have not been preserved in the Records of the Chief Controller of Imports.

(2) Figures shown against July-December 1947 include licences granted to importers in Pakistan prior to partition.

STATEMENT II

Total number of licences issued, etc., by the Steel Import Controller, Calcutta, the Development Officers (Tools and Metals) during the years 1946-47 and 1948.

Year.	Total number of licences issued.	Number of licences issued for the value of Rs. 1 lakh. and over.
1946	23,036	*118
1947	26,533	†558
1948	28,425	1,299
Total	77,994	1,975

*Excludes licences granted by the Steel Import Controller, Calcutta.

†Excludes licences granted by the Steel Import Controller, Calcutta from 1st Jan.'47 to 31st May'47

Note.—Figures shown against the years 1946 and 1947 also include licences granted to importers in Pakistan prior to partition.

STATEMENT III

Names of licences to whom licences were granted for rupees five laks and more by the Development officers (Tools and non-ferrous Metals) during the years 1946, 1947 and 1948.

No.	1946 (1)	No.	1947 (2)	No.	1948 (3)
(1)	M/S. Alfred Herberts (India) Ltd.	(1)	M/S. Alfred Herbert (1) Ltd.	(1)	M/S. Alfred Herbert (1) Ltd.
(2)	Associated British Machine Tool Makers	(2)	M/S. General Motors (1) Ltd.	(2)	M/S. Associated British Machine Tool Makers Ltd.
(3)	M/S. Batliboi & Co	(3)	M/S. Associated British Machine Tool Makers Ltd.	(3)	M/S. Batliboi & Co.
(4)	M/S. Francis Klein & Co.	(4)	M/S. A.C. Bottomley	(4)	M/S. Francis Klein & Co.
(5)	M/S. Machine Tools (India) Ltd.	(5)	M/S. Batliboi & Co. Ltd	(5)	M/S. Machine Tools (1) Ltd.
(6)	M/S. Tata Iron & Steel Co. Ltd.	(6)	M/S. Francis Klein & Co. Ltd.	(6)	M/S. Tata Iron & Steel Co. Ltd.
(7)	M/S. W & T. Avery	(7)	M/S. Associated Electrical Industries Ltd.	(7)	M/S. W.& T. Avery.
(8)	M/S. William Jacks & Co. Ltd.	(8)	M/S. Machine Tools (1) Ltd.	(8)	M/S. William Jacks & Co. Ltd.
(9)	M/S. W.H. Brady.	(9)	M/S. Tata Iron & Steel Co. Ltd.	(9)	M/S. Power Tools Appliances & Co.
(10)	M/S. Marshall & Sons.	(10)	M/S. W. & T. Avery	(10)	M/S. Marshall & Sons.
(11)	M/S. Indian Oxygen & Acetylene Co. Ltd.	(11)	M/S. William Jacks Ltd.	(11)	MS. Indian Oxygen & Acetyle Co. Ltd.
(12)	M/S. Heatly & Gresham Ltd.	(12)	M/S. Power Tools & Appliances & Co.Ltd.	(12)	Heatly & Gresham Ltd.
(13)	M/S. Volkart Bros	(13)	M/S. Marshall & Sons Ltd.	(13)	M/S. Burn & Co.
(14)	M/S. General Motors Ltd.	(14)	M/S. Devi Dayal & Sons.	(14)	M/S. Mysore Iron & Steel Co.
(15)	M/S. Jessop & Co. Ltd.	(15)	M/S. Indian Oxygen & Acetylene Co. Ltd.	(15)	M/S. Precious Trading Co.
(16)	M/S. Burn & Co. Ltd.	(16)	M/S. Heatly & Gresham Ltd.	(16)	M/S. Metal Box Co.
(17)	M/S. Indian Iron & Steel Co. Ltd.	(17)	M/S. Volkart Bros.	(17)	M/S. Tata Aircraft.
(18)	M/S. Steel Coropration of Bengal Ltd.	(18)	M/S. Hyderabad Allwyn Metal Works Ltd.	(18)	M/S. Shankey Elect. Stemphings.
(19)	M/S. General Electric Co. Ltd.	(19)	M/S. L. Bettigeli Esqr.	(19)	M/S. Garlick & Co.
(20)	M/S. International General Elec. Co.	(20)	M/S. Industrial Engg. Co.	(20)	M/S. Praga Tools (1) Ltd.
(21)	M/S. Balmer Lawrie & Co.	(21)	M/S. National Steel Works	(21)	M/S. Tata Locomotive & Engg. Co.
(22)	M/S/ Praga Tools (1) Ltd.	(22)	M/S. Jessop & Co.	(22)	M/S. Industrial & Engg. Co.
(23)	M/S. Industrial & Engg. Co.	(23)	M/S. Burn & Co. Ltd.	(23)	M/S. Chaman Lal Dessai & Co.
(24)	M/S. Chaman Lal Desai & Co.				

M/S. Hindustan Motors Ltd.
(26) M/S. Indian Rolling Mills
(27) M/S. National Pipe & Tubes Ltd.
(28) M/S. E.B. Raj Divakar
(29) M/S. Mam Industrial Corpn. Ltd.
(30) M/S. National Rolling Mills Ltd., Calcutta

(31) M/S. Gopal Chandra Mukerjee, Calcutta
(32) M/S. Francis Klein & Co. Ltd. Bombay
(33) M/S. Bombay Co. Ltd. Calcutta
(34) M/S. Bombay Co. Ltd. Madras
(35) M/S. Indian Copper Corporation, Ghatsila, Singhbhum.
(36) M/S. Mathuradas Govardhan Das, Calcutta
(37) M/S. Bidridas Kailashwati, Mirzapur

(38) M/S. R.B. Anant Shivaji Desai, Bombay
(39) M/S. Indian Red Lead Factory, Calcutta
(40) M/S. Devidayal & Sons, Bombay
(41) M/S. Jayant Metal Mfg. Co. Bombay
(42) M/S. Purshotamdas Narsinghdas, Calcutta
(43) M/S. Tata Iron & Steel Co. Ltd. Jamshedpur.
(44) M/S. Jhamb Bros, & Co., Calcutta
(45) M/S. National Carbon Co., Calcutta
(46) M/S. Binani Metal Works, Calcutta
(47) M/S. M. Gulamali Abdul Hosain, Bombay
(48) M/S. Gandhi Basantlal Vadilal & Co., Bombay.
(49) M/S. Kamani Metal Refinery & Metal Industries Ltd., Bombay.
(50) M/S. Waldi's Zinc Pigments Co., Calcutta
(51) M/S. East Asiatic Co., Bombay

(24) M/S. Textile Machinery Corpn Ltd.
(25) M/S. Mysore Iron and Steel Co.
(26) M/S. Indian Smelting & Refining Co.
(27) M/S. General Electric Co.
(28) M/S. Modern Industries
(29) M/S. Tata Aircraft
(30) M/S. Praga Tools (1) Ltd.

(31) M/S. Guest Keen, Williams Ltd.
(32) M/S. Industrial Engg. Co.
(33) M/S. Chiman Lal Desai & Co.
(34) M/S. Machinery Mfg. Corporation
(35) M/S. Eastern Plastic Syndicate, Calcutta
(36) M/S. Batala Engg. Co.
(37) M/S. Premier Automobiles

(38) M/S. Shree Krishna Ltd.
(39) M/S. Raj Kishan Radha Krishan
(40) M/S. British Metal Corporation Co.
(41) M/S. Calcutta Electrical Mfg. Co. Ltd. Calcutta.
(42) M/S. Devi Dayal & Sons, Bombay
(43) M/S. The East Asiatic Co. (1) Ltd. Calcutta
(44) M/S. D. Waldi & Co., Calcutta
(45) M/S. Francis Klein & Co., Bombay
(46) M/S. Greaves Cotton Co. Ltd., Bombay
(47) M/S. Indian Copper Corporation Ltd. Ghatsilla.
(48) M/S. Industrial Importers & Engg. (1) Ltd. Caltutta.
(49) Indian Red Lead Factory Ltd. Calcutta.
(50) M/S. Kamani Metal Refinery & Metal Industries, Ltd., Bombay.

(24) M/ S. Machinery Mfg. Corpn. Ltd.
(25) M/S. Capt. Bhaifatehar Jang Singh.
(26) M/S. Vickers (1) Ltd.
(27) M/S. Crompton Parkinson Works Ltd.
(28) M/S. Premier Automobiles Ltd.
(29) M/S. Perfect Machine Tools Co.
(30) M/S. The Steel Corporation of Bengal Ltd. Managing Agents, Calcutta.
(31) Kamani Metal & Alloys Ltd. Bombay.
(32) M/S/ Indian Copper Coroporation Ltd. Chatsila.
(33) M/S. Parshotamdas Narsinghdas, 43, Strand Road, Calcutta.
(34) M/S. Parshotamadas Narsinghdas, Bombay.
(35) M/S. The Bombay Co. Ltd. Calcutta.
(36) M/S. Waldi's Zinc Pigments Ltd. Calcutta.
(37) M/S. Devi Dayal & Sons Gupta Mills Estate, Road, Bombay.
(38) M/S. The Indian Smelting & Refining Co. Ltd. Bombay.
(39) M/S. W.T. Surem & Co. United Inida Buldgs. Bombay.
(40) M/S. Sepulchure Bros. India Ltd. Bombay.
(41) M/S. the East Aisatic Co. (1) Ltd., Calcutta.
(42) M/S. Mathuradas Govardhandas, Calcutta.
(43) M/S. Pragdas Mathurdas, Calcutta.
(44) M/S The East Asiatic Co. (1) Ltd., Bombay.
(45) M/S. Tata Iron & Steel Ltd., Jamshedpur.
(46) M/S. Metal Distribution Ltd., Calcutta.
(47) M/S. Francis Klein & Co. Bombay
(48) M/S. Pragdas Girdhardas, Calcutta.
(49) M/S. The Bombay Co Ltd., Bombay.
(50) M/S. Monockji Nadhir Shah, Bombay.
(51) M/S. Greaves Cotton & Co., Bombay.

(52) M/S Universal Trading Co., Delhi

(53) M/S. Upper India Trading Coporation, Calcutta.

(54) M/S. Greaves Cotton & Co., Bombay

(51) M/S. Mathuradas Goverdhandas, Calcutta
(52) M/S. National Rolling Mills Ltd. Bombay

(53) M/S. Purshotamdas Narsinghdas, Calcutta

(54) M/S. Pragdas Mathuradas Ltd., Bombay

(55) M/S. Pragdas Mathuradas Ltd., Calcutta.
(56) M/S. Pragdas Mathuradas Ltd., Bombay
(57) M/S. Sepulchare Broth rs (I) Ltd. Bombay
(58) M/S. Waldies Zinc Pigment, Calcutta.
(59) M/S. Bombay & Co., Ltd., Calcutta .
(60) M/S. Bombay & Co., Ltd., Bombay
(61) M/S. Tata Iron & Steel Co. Ltd. Jamshedpur.
(62) M/S. Steel Corporation of Bengal Ltd., Cal-Calcutta.
(63) M/S. Mahadeo Prasad Kashi Prasad, Mirzapur.

(52) M/S. Bansidar Gopaldas & Co., Swedeshi Market Bombay
(53) M/S. Dosi Brothers (Bombay), Bombay.
(54) M/S. Industrial Importers & Engineers (I) Ltd. Calcutta.
(55) M/S. Murlidhar Gajanand, Calcutta.
(56) M/S. Pragdas Mathuradas Ltd., Bombay
(57) M/S. Volkart Brothers, Calcutta.
(58) M/S. Mahadeo Parsad, Mirzapur.
(59) M/S. Kamani Engg.Corporation Ltd. Bombay.
(60) M/S. Hunumanprasad Pragdas, Calcutta.
(61) M/S. Estrela Batteries Ltd., Bombay.
(62) M/S. D. Waldie & Co. Ltd., Calcutta.
(63) M.S. National Rolling Mills Calcutta.
(64) M/S. East End (I) Ltd., Calcutta.

NATIONALITY AND APPOINTMENT OF ABDUS SATTAR SETH AS PAKISTAN'S AMBASSADOR IN EGYPT

*895. **Shri K. Hanumanthaiya:** (a) Will the Honourable the Prime Minister be pleased to state whether Abdus Sattar Seth, a former member of the Constituent Assembly of India has been appointed Ambassador of Pakistan in Egypt?

(b) Did he seek or obtain the consent of the Government of India before he accepted the appointment?

(c) Does he continue to be an Indian citizen?

The Honourable Shri Jawaharlal Nehru: (a) Yes.

(b) No.

(c) In strict law, there is no definition of Indian citizenship at present, although for passport and other purposes certain persons are described as Indian citizens. This position will no doubt be cleared up as soon as the new Constitution is adopted or a Nationality law is passed. Therefore it is not easy to say at present who is, strictly speaking, an Indian citizen.

A comprehensive citizenship law will no doubt lay down the grounds upon which persons should lose their citizenship. Mr. Abdus Sattar Seth's nationality at present cannot therefore be defined with any accuracy. This will depend upon the law which India may enact on the subject. For practical purposes however, it appears desirable that when a citizen enters into a foreign civil or military service without permission of his own Government, he loses his original nationality.

UNEMPLOYMENT STATISTICS

*896. **Shri P. Kunhiraman:** (a) Will the Honourable the Prime Minister be pleased to state what is the extent of unemployment in India?

(b) Is there any Department under the Government of India charged with the duty of collecting employment statistics?

The Honourable Shri Jawaharlal Nehru: (a) It is not possible to state with any measurable accuracy what the extent of unemployment is in India at present. There has been for a considerable time past a great deal of unemployment and under-employment among various classes of people. The largest number of unemployed or under-employed probably are agriculturists or agricultural labourers.

An attempt has been made to keep some record of the industrial unemployed. But even in regard to these, complete information is not available. From the registers of the Employment Exchanges under the Ministry of Labour, the number of employment seekers on the 31st December, 1948, was 2,39,033.

(b) The Directorate General of Resettlement and Employment publish every month the number of persons who register themselves for employment and the number of persons who remain on the registers of the Employment Exchange at the end of every month. An Agricultural Labour Enquiry Committee is also being set up. There is at present no machinery for the collection of employment statistics covering the whole field.

According to the Government of India Act as well as the Draft Constitution, the Central Government's field is restricted to Centrally Administered Areas in

respect of statistics relating to unemployment. In most countries unemployment statistics have been collected where unemployment insurance is statutorily provided for.

Apart from the constitutional position, the Government of India are conscious of their responsibility to collect, in co-operation with Provincial and State Governments, as full statistics as possible in regard to the unemployed and manpower situation in the country.

ACQUISITION OF BARRACKS AT ANAND PARBAT

*897. **Shri Damoder Swarup Seth:** Will the Honourable Minister of Relief and Rehabilitation be pleased to state:

(a) whether a notice has been served on Ramjas College Society for the acquisition of the barracks at Anand Parbat; and

(b) the period for which the said barracks are required?

The Honourable Shri Mohan Lal Saksena: (a) Yes, for the acquisition of Upper Barracks only.

(b) Permanently.

SCHEMES OF PROVINCIAL GOVERNMENTS FOR HOUSING REFUGEES

*898. **Shri B. N. Munavalli:** (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state whether it is a fact that the Government of the United Provinces, the Government of Bombay and some other Provincial Governments have submitted their housing schemes for refugees for the approval of the Government of India?

(b) If so, what are those various housing schemes province-wise, where are those houses to be constructed in the different provinces and what expenses will be incurred by each province towards the said housing schemes?

(c) Have the said housing schemes been started and if so, in what provinces?

(d) What is the estimated accommodation for the refugees according to the various schemes province-wise and what is the total estimated expense for all such housing schemes as have now been sanctioned by the Government of India up to date?

(e) What amount in all do Government intend to spend towards providing houses for refugees?

The Honourable Shri Mohan Lal Saksena: (a) Yes.

(b), (d) and (e). A statement is laid on the table of the House.

(c) According to the information so far received, housing schemes have been started in the provinces of Bihar, U.P., East Punjab and Delhi.

STATEMENT

Housing Scheme from Provinces /States

S. No.	Name of the Provinces/States	Scheme	Population	Houses of tenements	Total commitments accepted.	Amount of loan already sanctioned.
1	Ajmer-Merwara	Construction of Houses	12,000	2,000 houses	50,00,000	
2	Bombay	(a) Kalyan Township	100,000	16,600 Do.	14.08 crores	50 lakhs.
		(b) Chembur Development scheme	10,000	1,600 tenements		
		(c) South Deolali Scheme	50,000	67,00 Do.		
		(d) Dapori Scheme (Poona)	7,000	11,00 Do.		
		(e) Valvide Camp near Kolapur	10,000	16.00 Do.		
			177,000			
3.	C.P.	(a) Townships 2	50,000	84,00 houses	2.92 crores.	2.92 crores
		(b) Conversion of 1000 Military barracks to provide tenements	6,000	1,000 tenements		
4	Jodhpur	Construction of Houses	6,000	1,000 houses	26 lakhs	26 lakhs.
5	Madhyabharat	Construction of Houses	24,000	4,000 Do.		5 lakhs
6	Matsya Union	Construction of Houses	8,400	14,00 Do.	45.85 lakhs	45.85 lakhs.
7	United Provinces	I (a) Muzaffargarh Township	2,400	400 Do.		
		(b) Dehradun Township	2,400	400 Do.		
		(c) Modinagar Township	3,600	600 Do.		
		(d) Lucknow Tonwnship	2,100	350 Do.		
		II Renovation of 8 Military Barracks	31,800	5,300 tenements		
		III Shops-cum-residences	7,200	12,00 tenements		
		IV. Other schemes	250,500		7.55 crores	3 crores.
8	Patiala and East Punjab, States Union	Township Scheme (Rajpura)	60,000	10,000 houses		2 crores (in the first instance)
9	Rajasthan	(a) Pratapnagar Township scheme				
		(b) Construction of houses	27,000	4,500 houses	110 lakhs	30 lakhs.
10	Saurashtra Union	Construction of houses	18,000	3,000 houses	1·95 lakhs	(Sanction not yet issued).
11	Bikaner	Township Scheme	12,000	2,000 houses	106.68 lakhs	"

12	Baroda	Construction of houses	18,000	3,000 houses	(Under consideration)
13	Jaipur	(a) Township Scheme	30,000	5,000 houses	(a) 1 crore
		(b) Construction of houses	20,000	3,300 houses	(b) Under consideration
14	East Punjab	(a) Construction of houses in various districts	25,200	4,200 houses	(a) 2.5 crores.
		(b) Sale of plots (1) 6800 to refugees for (2) 6150 house building (3) 7000	1,20,000		(b) to (f) under consideration.
		(c) Faridabad Township	40,000	6,670	
		(d) Sonepat Township	40,000	5,670	
		(e) Bahadurgarh Township	40,000	6,670	
		(f) Scheme for constructing, refugee houses in the proposed capital.	1,50,000	25,000	
			4,15,000		
15	Vindhya Pradesh	Construction of houses	20,000	3,300	Under consideration

BAUXITE IN KORLAPAT HILL, KALAHANDI STATE, ORISSA

68. Shri Lakshminarayan Sahu: Will the Honourable Minister of Works, Mines and Power be pleased to state what is the quality of Bauxite found in the Korlapat Hill (Kalahandi State, Orissa)?

The Honourable Shri N. V. Gadgil: From the analysis made so for the quality appears to be good.

IMPORT OF SILK YARN AND SILK FABRICS

69. Shri K. Hanumanthaiya: Will the Honourable Minister of Commerce be pleased to state:

(a) whether any silk yarn has been imported into India during the years 1945-46, 1946-47, 1947-48;

(b) if so, from what countries and at what prices;

(c) the quantities of silk yarn imported into India during the years 1936-37, 1937-38 and 1938-39;

(d) the quantities of silk fabrics imported into India from foreign countries in the years 1936-37, 1937-38, 1938-39 and also in 1945-46, 1946-47 and 1947-48; and

(e) the countries from which they were imported, the quantities imported and the prices thereof?

The Honourable Shri K. C. Neogy: (a) to (c). A statement giving the required information is placed on the table of the House.

STATEMENT

Quantity and value of silk yarn and piecegoods imported into India by sea from abroad, on private account, during the official years 1936-37 to 1938-39 and 1945-46 to 1947-48, with details of the principal countries of consignment.

Articles and countries of consignment		1936—37*		1937—38		1938—39		1945-46		1946—47		1947—48†	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
			Rs.		Rs.		Rs.		Rs.		Rs.		Rs.
Silk Yarn.—													
From United Kingdom	Lbs.	54,466	91,597	18,861	45,174	11,058	2,646	589	6,384	3,655	1,00,551	4,820	1,10,884
From Hong Kong	,,	6,292	16,397	12,025	28,708	5,000	5,360	..	..	..	..	..	..
From Burma	,,	..	..	12,941	46,905	23,566	60,745	..	..	..	..	..	..
From Other Br. possessions	,,	..	..	45	256	200	400	..	..	..	..	..	..
From Belgium	,,	..	..	2,370	5,781	10,345	15,703	..	..	..	..	..	..
From Germany	,,	..	..	..	..	4,992	13,823	..	..	..	..	..	..
From France	,,	12,600	26,547	6,615	11,827	..	..	..	..	2	25	..	..
From Switzerland	,,	12,730	32,976	..	..	3,401	9,298	..	..	..	..	4,152	1,02,750
From Italy	,,	2,38,508	5,55,184	289,152	6,57,858	191,582	4,84,050	..	..	91,879	22,96,727	72,548	13,27,861
From Japan	,,	1,657,643	42,99,308	1,790,518	47,77,090	588,082	22,01,847	..	..	..	..	2,376	53,180
From China (exclusive Hong Kong and Macao)	,,	459,379	10,40,979	208,756	5,49,412	286,825	4,22,107	..	..	102,350	29,72,388	60,909	15,67,284
From Other Foreign Countires	,,	2,104	4,474	2	5	70	128	..	..	..	..	..	..
Total	,,	2,444,644	60,67,457	2,337,288	61,18,016	1,120,121	32,15,601	589	6,384	202,886	53,69,691	165,805	31,61,959
Silk piecegoods.—													
From United Kingdom	Yds.	22,288	61,832	19,221	39,415	7,471	17,441	52,225	4,95,685	87,327	7,60,920	13,944	91,601
From Aden and dependencies	,,	2,016	762	74,888	23,960	191,701	80,106	..	..	..	..	..	..
From Ceylon	,,	21,979	8,740	15,733	6,732	49,179	14,434	..	..	..	..	..	..
From Burma	,,	—	—	15,720	9,143	29,804	33,224	..	..	..	..	..	..
From Straits Settlements	,,	67,436	21,254	264,269	83,173	251,500	1,02,659	..	..	..	..	..	..

From Hong Kong	Yds	1,934,244	4,67,435	582,795	1,90,169	461,472	1,68,218			15,148	4,05,873	74,890	2,04,765
From Other Br. Possessions	,,	10,011	3,849	4,942	1,372	42	70		..	..	..	10	45
From Germany	,,	905	1,910	7,960	11,225	3,590	11,473		..	..	..	..	..
From France	,,	5,750	6,701	14,434	17,188	8,172	14,669	..	..	2,440	28,788	24,227	1,95,877
From Switzerland	,,	24,095	39,088	34,223	71,213	13,340	30,578	281	2,171	..	..	1,781	12,059
From Italy (including Fiume)	,,	1,566	921	519	1,870	793	2,974			21,986	1,63,157	3,689	24,857
From Kaskat Territory & Trucial Omen	,,	87,000	14,800	112,541	48,503	19,577	9,497			..	..		..
From Saudi Arabia	,,	..		..	..	..	..			608	28,479		..
From Iran	,,	..	..	..	..	5,201	3,017						..
From Japan		16,171,613	62,88,488	18,715,388	73,06,251	11,800,911	45,02,170						..
From China (exclusive of Hong Kong & Macao	,,	3,260,204	12,00,969	3,005,542	11,76,274	3,752,892	16,90,479		..	512,921	31,83,682	605,779	28,24,724
From Egypt	,,	10	20	..	..	276,000	59,399		..	..	..	..	..
From United States of America	,,	..	..	..	..	..	..	486	4,387	48,879	1,14,575	54,179	19,84,217
From Other Foreign Countries	,,	3,639	4,810	250	626	1,403	4,697	..	..	..	..	3	17
Total		21,562,756	81,21,559	22,868,425	89,87,114	16,875,056	67,45,105	52,992	5,02,243	812,309	46,85,473	1,271,452	53,38,162

*Relates to British India including Burma.

†The figures exclude the direct foreign Sea-borne of the Pakistan Provinces of Sind and East Bengal with effect from the 1st and the 15th August 1947 respectively. They do not include India's Sea-borne trade with Pakistan upto February 1948.

EVICTION OF TENANTS UNDER DELHI RENT CONTROL ACT, 1947

70. Shri Deshbandhu Gupta: (a) Will the Honourable Minister of Works, Mines and Power be pleased to state the number of cases instituted till 31st December, 1948 in Delhi under the Delhi Rent Control Act, 1947 by the landlords against tenants with a view to secure their eviction?

(b) How many of them succeeded in securing judgments in their favour?

(c) How many evictions did actually take place?

The Honourable Shri N. V. Gadgil: (a) 2351.

(b) 714.

(c) 124.

MOTOR VEHICLES IMPORTED FROM U. K. AND U.S.A.

71. Dr. P. S. Deshmukh: Will the Honourable Minister of Commerce be pleased to lay on the table of the House a statement showing the number of motor cars, motor trucks, and motor cycles imported from the United Kingdom and the United States of America during each of the years 1946, 1947 and 1948?

The Honourable Shri K. C. Neogy: A statement giving figures of imports during the three financial years 1945-46, 1946-47 and 1947-48 is placed on the table of the House. Calendar year figures are not available.

STATEMENT

Number of Motor Cars, Motor Trucks and Motor Cycles imported from the United Kingdom and the United States of America during 1945-46, 1946-47 and 1947-48 and April-October, 1948

	Motor cars including Taxi Cabs	Motor Omnibuses, motor vans and motor lorries	Motor Cycles including scooters
	Number	Number	Number
1945—46	237	131	589
From United Kingdom			
1946—47	6,173	1,860	3,057
1947—48	9,764	2,331	4,041
April—October 1948	7,511	2,356	1,615
1945-46	12	954	*—
From United States of America			
1946—47	1,912	4,817	*—
1947—48	8,757	8,030	*—
April—October 1948—	3,721	8,604	*—

*Figures not available.

B.S.A. AND HERCULES CYCLES IMPORTED IN 1946, 1947 AND 1948

72. Dr. P. S. Deshmukh: (a) Will the Honourable Minister of Commerce be pleased to lay on the table of the House, a statement showing the number of B. S. A. and Hercules cycles imported during each of the years 1946, 1947 and 1948?

(b) What was the wholesale price in pounds sterling of every B.S.A. and Hercules cycle?

(c) What is the import duty on each cycle?

(d) What was the retail price at which each B.S.A. and Hercules cycle was sold in India?

The Honourable Shri K. C. Neogy: (a) As statistics of imports of cycles are not recorded in the Customs Houses separately for each make of cycle, information in regard to actual imports of B.S.A. and Hercules cycles is not available. The total number of complete bicycles imported during 1947 and January to October 1948 from U.K., where B.S.A. and Hercules cycles are manufactured, has been as follows:

Year.	*Number of cycles*	*Total value in lakh of rupees*
1947	239,141	2,26·7
January to October 1948	96,845	92·5

Similar figures for 1946 are not available

(b)	1946	1947	1948
B.S.A	Not available.	Not available.	151 shillings.
Hercules	115 sh.	120 sh.	129 sh. 3 d.

(c) Cycles manufactured in the U. K., are subject to a protective import duty of 24 per cent. *ad valorem*.

(d) Under the Consumer Goods Control Order, which remained in force up to 30th September 1946, the retail prices at which B.S.A. and Hercules cycles could be sold in Bombay, Karachi, Madras and Calcutta were fixed at Rs. 135 each. Elsewhere these could be increased by a sum not exceeding Rs. 10 to cover actual freight from the nearest port to the place of sale, whichever is less, *plus* octroi duty actually paid. At certain hill stations these prices could be increased by a further 5 per cent. After the removal of control the prices were as follows:

	1946 and 1947	1948
B.S.A	Rs. 180 to Rs. 230	Rs. 225 to Rs. 250
Hercules	Rs. 180 to Rs. 230	Rs. 175 to Rs. 220

Friday
4th March, 1949

THE CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART II—PROCEEDINGS OTHER THAN QUESTIONS AND ANSWERS)

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(24th February, 1949 to 18th March, 1949)

Fourth Session

OF THE

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CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART II.—PROCEEDINGS OTHER THAN QUESTIONS AND ANSWERS)

Friday, 4th March, 1949

The Assembly met in the Assembly Chamber of the Council House at a Quarter to Eleven of the Clock, Mr. Deputy Speaker (Shri M. Ananthasayanam Ayyangar) in the Chair.

QUESTIONS AND ANSWERS

11-45 A.M. (*See Part* I)

PAPERS LAID ON THE TABLE

REPORTS OF PRINTING AND STATIONERY DEPARTMENT, PETROLEUM DIVISION, GEOLOGICAL SURVEY OF INDIA, INDIAN SCHOOL OF MINES AND APPLIED GEOLOGY AND CENTRAL ELECTRICITY COMMISSION

The Honourable Shri N. V. Gadgil (Minister of Works, Mines and Power): Sir, I beg to lay on the table a copy of each of the following Reports,* namely:

(1) Administration Report of the Printing and Stationery Department, 1941—47,

(2) Administration Report of the Petroleum Division, 1942 to March 1948,

(3) General Report of the Geological Survery of India for the year 1947,

(4) Annual Report of the Indian School of Mines and Applied Geology for 1947-48, and

(5) Annual Report of the Central Electricity Commission for the year 1941—47,

Shri B. Das (Orissa: General): Sir, the honourable Minister in charge of Works, Mines and Power has laid on the table five thick volumes of over 500 pages. That means that it will have to be published in the daily Proceedings. It is the practice of this House that whenever any papers are laid on the table by any Minister of the Government, they are published in the day's Proceedings and if a Minister lays all his departmental annual Reports on the table that means considerable expenditure to the Government in printing the Proceedings. Of course they can lay their Ministry's Reports. This is a point of view which I would like you to consider.

Mr. Deputy Speaker: I shall consider that question later.

ESTATE DUTY BILL

EXTENSION OF TIME FOR PRESENTATION OF REPORT OF SELECT COMMITTEE

The Honourable Dr. John Matthai (Minister of Finance): Sir, I beg to move.

"That the time appointed for the presentation of the Report of the Select Committee on the Bill to provide for the levy and collection of an estate duty in the provinces of India, be further extended upto the 31st March, 1949".

*Not printed in the day's debates. Copies placed in the Library of the House.—*Ed. of Deb.*

[Dr. John Matthai]

A few days ago, I asked the House for permission to submit this Report by the 4th of March, but since then we have had two more meetings and we found there are still certain important matters that require further consultation and further examination. I hope, therefore, that the House will agree to the Motion that I have made.

Mr. Deputy Speaker: The question is:

" That the time apppointed for the presentation of the Report of the Select Committee on the Bill to provide for the levy and collection of an estate duty in the provinces of India, be urther extended upto the 31st March, 1949".

The motion was adopted.

THE GENERAL BUDGET—GENERAL DISCUSSION—*con'd.*

FIRST STAGE—*contd.*

Shri M. Tirumala Rao (Madras: General): The Budget presented by the Finance Minister has received a mixed reception in the country. Though he is a creature of certain circumstances over which he has no control, being a leader of a Government charged with the duty of stewarding its finances, he is expected to control the circumstances instead of becoming a creature of it. He has to canalise the difficult influences that assail a Finance Minister in enabling him to balance a Budget. One cannot but come to the conclusion that he is too much influenced by the orthodox way of balancing his Budget.

With all the assistance which the Finance Department has got of expert advice, which is a very costly advice seeing from the salary bill, the Revised Estimates for the current year show such an amazing disparity between the budgeted amount and the estimated amount. With an occult capacity to somehow find the expenditure for any windfall that may have fallen to them, the Department have very wisely shown the expenditure to the tune of Rs. 80 crores for which they had not originally budgeted at all. I will not imagine that their estimate has gone off the other way about; instead of having a surplus of Rs. 80 crores, the Budget has gone down by Rs. 80 crores of deficit. What would have happened to the Government of India and how would they have faced the deficit? Therefore, I want to say that in these estimates, which seem to be empirical by the results, one should not be carried away by the feeling that a small deficit of Rs. 20 crores should be somehow or other filled by taxing the poor.

The Finance Minister has been very kind towards the industrial and capitalist class who have struck work since 1946. In the year 1946, when Sir Archibald Rowlands presented his Budget, he presented a lump sum, a decent amount of Rs. 80 crores, of the excess profits tax to these industrialists with a view that they will plough back that amount in industry and improve the standard of life of the masses. But it was a disappointment. The figures have shown that hardly Rs. 20 crores have gone into new investment. They have not come into new investment but the financiers and industrialists tell us the reason why they have not been able to re-invest their money into the ndustry. They throw the blame on the statement of the Ministers, on the disturbed conditions of the country in the year 1947-48, and say that there is no clear policy for the Government of India, that some members speak of nationalization, some others speak of socialization of all the key industries of the country, and that therefore the investor has not got a sense of security in ploughing back the present, made by Sir Archibald Rowlands of the Rs. 80

crores, into industry. Even with that amount you can see how far the production has fallen. I would quote from the figures that have been recently supplied by the President of the Federation of the Indian Chambers of Commerce which is holding its session since yesterday. He says:

" Production of cotton textiles which had reached a figure of 4800 million yards in the peak year declined to 3600 million yards. The production of steel from 1·2 million tons came down to ·9 million tons and in 1948 it has further gone down to ·85 million tons. The production of cement has come down from two million tons to 1·5 million tons in 1948."

How far the industrialist have co-operated and have made good the opportunity that has been given by a previous Finance Minister, these figures amply prove. The tax reductions which the honourable Member has promised in the coming year to these industrial magnates have to be properly availed of and the goodwill shown should be cashed properly by these industrialists. The Resolutions passed by the Federation of the Chambers of Commerce yesterday have accepted the offer in the spirit in which it has been made but they have not got one word to say about the tax burdens which have been imposed upon the poor in this country. I want to say that it is not necessary for you to increase all the small duties on the poor people. The excise duty on cloth, on sugar, on motor spirit, and the import duty on betel nuts, are not necessary because cloth is a commodity which is used universally, especially medium and course cloth—but it has not escaped the notice of the Finance Minister.

With regard to sugar, it is considered an article of diet which is absolutely essential for the caloric heat content of the body. You say you want to improve the standard of living of the toiling masses. A larger number of the people of the lower grade incomes are coming to use sugar. The very fact that your railway grainshops give a compulsory ration of a certain quantity of sugar per head for every member of the railway staff argues that the Government have realised that sugar is being considered as an important article of diet among the lower income groups

With regard to motor spirit, the tax was lowered in the year 1946 by three annas; now you have restored that tax. I want you to realise how it affects the poor man. The majority of the people in the country use motor transport in the villages and now they will be hard hit. Every gallon of petrol is expected to carry over about 15 to 20 miles by bus and for every journey made by a passenger of 15 to 20 miles he has to pay an extra duty of three annas for his travel. Not only that; a large quantity of goods are carried by motor trucks over long distances, distances covering 400 to 500 miles at a time. All these commodities will now have to pay a higher price in proportion to the duty that has been imposed on motor spirit. Therefore you are hitting the ordinary consumer who has to depend for his travel on the motor lorry and for his consumer goods on motor transport.

With regard to postal rates, that is a psychological thing that will tell very badly upon the Government. You might have created an advantage of quick delivery of mails for only a very limited number of people belonging to the business community, who will again transfer that surcharge to the consumer direct in their expenses. But the poor village people who depend on a postcard will at once say that this is not a Government which is being carried on in the interests of the people. Every little item of tax that has been newly imposed hits the poor man in such a way that it will give a handle (*Pandit Thakur Das Bhargava*: "They will think Government lives in the air!") it will give a handle to every discontented political agitator in the country to go about and proclaim that this is not the Congress Government, that this is not the Government intended to help the people, but this is the Government of the rich people, by the rich people and for the rich people. Therefore, I want you to consider this aspect.

[Shri M. Tirumala Rao]

No doubt, you have given a subsidy by way of reducing the tax on aviation petrol. Development of aviation is absolutely necessary for strategic and defence purposes of this country, but you cannot tax the poor man and transfer that tax to the relief of the rich who are the main users of the air-lines, both as passengers as well as for transit of their freight.

I suggest one concrete measure. Apart from the sentimental attachment which you have for the abolition of salt duty, I want you to consider the point whether you cannot revive the salt duty. We are consuming 500 lakhs of maunds of salt and even if you put a tax of Rs. 2 per maund you will get nearly Rs. 10 crores. There is no use of protesting always by the revered name of Mahatma Gandhi. We have modified our plans, we have changed our principles even, when we thought that it is in the best interests of the country. Was it not Mahatma Gandhi who insisted on all this control being lifted? He argued with the Government of India and saw that the controls were lifted early last year. But now, in the light of experience gained, in the light of the universal effort of black-marketeers and greedy merchants to defeat the controls, the Government of India and the Provincial Governments have come to the conclusion that they cannot act by the advice of Mahatma Gandhi. Therefore, you are now re-imposing all the controls in the best interests of the country. So also on 500 lakhs of maunds of salt consumed by 35 crores of people, if a tax at the rate of Rs. 2 per maund is levied for the whole year, the incidence of the tax will be so light, so invisible that it will not be felt at all by the people.

Shri B. Das (Orissa: General): Thank you for your courage to say that; and I agree with you.

Shri M. Tirumala Rao: Yes, Sir.

Shri L. Krishnaswami Bharathi (Madras: General): It is post card psychology.

Shri M. Tirumala Rao: My friend Mr. Bharathi says it is post-card psychology. He and I are neither rich nor poor; we are hanging in mid-air, but our lot is more with the poor who are in the majority than with the rich who are in the minority. Therefore, I say that the salt duty can be revived without any violence to Mahatma Gandhi's tenets or feelings or ideologies.

Shri L. Krishnaswami Bharathi: Question. He said when he became insane he will revive it.

Shri M. Tirumala Rao: Then there is no coordination between the provincial taxation and the central taxation. Provincial Governments are going in their own way. For instance, Madras which has taken an unduly enthusiastic interest and adherence and attachment to prohibition has adopted prohibition at one stroke, losing a revenue of Rs. 17 crores! They want to benefit the poor man by abolishing drink, but in a direct way they are now putting their hands into the pockets of every poor man by taxing his pepper, by taxing his chillies, by taxing his coconut. Coconut is an article of food in the extreme south, where people use cocoonut oil in place of til oil. They eat coconut in their food and now coconut is being sought to be taxed. In Bombay electricity is being sought to be taxed. They are going to tax the primary article of cloth again by way of sales-tax. Cloth produced in Bombay will have to pay sales-tax in Bombay. When it is exported to Madras it has to pay another item of sales-tax in Madras. Again, when it goes into another province, sales-tax is collected for third time. It is taxed thrice and the ultimate burden is borne by the poor man who wears the coarse and the medium cloth.

12 NOON

Therefore, provinces, in order to balance their Budgets are having recourse to these injurious ways by taxing the poor people. The Central Government has also done the same thing. Are you not indirectly helping the augmentation of inflation which you are trying to control today? The Government of India has not taken any concrete steps so far to control inflation. On the other hand, you can rest assured that your policy is going to add to the inflation. In our Constitution we have provided for a Centralised Government for purposes of safety, for purposes of defence. Now for purposes of economic safety and even distribution of the tax burden on the whole population, you should immediately bring into existence a Taxation Enquiry Committee which was envisaged as early as 1946 and was not acted upon by successive Finance Ministers. I want you to see that the provinces are not going in their own way with regard to taxation, but should have a coordinated plan, so that the incidence of taxation is not felt by the poor, especially now, when in the formative stages of our country's Constitution, in the early stages of our freedom, Governments cannot easily estrange the poor people, nor can they allow a sort of glaring misunderstanding to be created in their minds that these Governments do not care for their welfare. (*Prof. N. G. Ranga*: "Hear, hear") With regard to Defence expenditure which is a huge item of 150 crores, the books that are given are a maze of figures which it is not possible to understand for anybody. We have developed the system of Standing Committees. The Standing Committee for Finance is capable and competent to look into the general expenditure on Budget, but the Budget figures are so vast and complicated that we should not be burdened with the task of going into the Defence expenditure also. The Standing Finance Committee for Railways is quite competent and it has developed a sort of tradition behind it that looks to the Railway Budget and scrutinises all the items of expenditure year by year. Why not have a similar Standing Finance Committee—I want to make a concrete suggestion—for Defence composed of members of this House, which will look into the Budget of 157 crores or so and scrutinise what is happening? I may honestly tell you that one Defence Minister cannot bear the burden of this huge Department. This is an important Department, as important as the Ministry of Home Affairs or the States Ministry or Ministry of External Affairs. Therefore, leaders of front rank, people with following in the country, leaders of big political parties with a past and a high political status in the country, must handle this portfolio with the assistance of a Standing Finance Committee to which the Defence estimates and Budget of every year should be submitted for scrutiny and examination.

Mr. Deputy Speaker: The honourable Member's time is up.

Shri M. Tirumala Rao: I am coming to a close. One more minute, Sir.

Mr. Deputy Speaker: I have given sufficient time. The honourable Member must conclude.

Shri M. Tirumala Rao: I am coming to a close, Sir.

One more suggestion I want to make. The history of the Food Department is not quite happy. On the food debate many of the honourable Members have spoken out their minds. I do not know what is in the mind of the Cabinet, but I do think that they are seriously considering the giving of a new orientation to the Departments of Food and Agriculture and see that the huge drain of our resources by way of subsidy to the tune of Rs. 40 crores is stopped by producing more food.

Shri Ramnath Goenka (Madras: General): The honourable the Finance Minister has rightly enjoyed a reputation for honesty, integrity and sincerity and for being a friend of the common man. So far as his reputation for honesty,

[Shri Ramnath Goenka]

integrity and sincerity goes, it is fully justified by this Budget, but so far as its reputation for being a friend of the common man is concerned, it has been belied by this Budget. The budget, I regret to have to say, lacks inspiration and it does not give a definite lead to the country. It does not indicate either the present economic or financial plans, or the future plans in relation thereto.

The budget has been said to be a surplus budget; but when I go to the capital budget, I find that there is a deficit of 134.10 crores in the capital budget. This 134.10 crores has been arrived at after allowing for all the loans which the Government of India can raise. They have allowed for new loans to the tune of 85 crores; they have allowed for Post office Savings Bank Deposits to the tune of 24.71 crores; they have allowed for National Savings Certificates to the tune of 18·40 crores. Allowing for all these, there is still a deficit of 134·10 crores. The intrinsic position of the finances of the Government of India is absolutely sound; because our total debt is only 2408 crores and our interest yielding assets are 1527 crores and only 800 crores are the non-productive obligations on the Government of India. This sum of 800 crores is very nearly a year's income of the provinces and the Centre put together. Even with this position, how is it that we are not able to raise any loans? How is it that we are not able to raise the capital that is necessary? The reason according to me is that we have not tried to get money from the quarters where the money is. According to me, the money has gone to the rural areas, for the time being. (*An Honourable Member*: "No, no."). There may be difference of opinion on that matter. I make a suggestion to the honourable the Finance Minister in this respect. What has happened to the Reserve Bank? You have nationalised the Reserve Bank. What has the Reserve Bank done? The Reserve Bank has been a good authority for policing purposes; but it has not been an authority for the expansion of Banking in this country. I would suggest to the honourable the Finance Minister to ask the Reserve Bank to open 1,000 branches in the rural areas, and also ask four or five big banks to open branches in various rural areas so that the money which is there in the rural areas will come to the Banks and then could be put in circulation. (*Shri L. Krishnaswami Bharathi*: "There is no money in the rural areas"). There may or may not be money in the rural areas. But, you have got sooner or later to find out ways and means of bringing that frozen capital into circulation, and the only way in which you can do that is by opening banks, because, in banks you can put your money and take it back the next day if you require it, whereas in the case of the National Savings Certificates, you have to wait for five or seven years and the rural people cannot afford to wait.

If our deficit is 134.10 crores, and if we are not going to raise that money, what should we do? We should effect economies. I find in the whole of the Government of India extravagance instead of economy. I have gone through the whole of the explanatory memorandum for the budget; I see hardly any item in which the expenditure has been reduced. All the Economic Advisers of the Government of India, all the economic Advisers whom the Government of India called from the various parts of the country unanimously suggested that there should be compulsory saving. Has the Government of India attempted compulsory saving at all, in any department? There is, Sir, one figure which is very peculiar. It is on page 27: Anjuman-e-Tarake-e-Urdu 40 lakhs.

Shri B. L. Sondhi (East Punjab: General): No; it is 40,000.

Shri Ramnath Goenka: No; it is 40,000 for Hindi Sahitya Sammelan and 40 lakhs for this.

Shri B. L. Sondhi: I enquired from the Department concerned; they said it is 40,000. It is wrongly printed here.

Shri L. Krishnaswami Bharathi: Is it not possible for the Finance Minister to say whether it is 40 lakhs or 40,000?

The Honourable Dr. John Matthai (Minister of Finance): 40,000.

Mr. Deputy Speaker: It is said to be Rs. 40,000 for each.

Shri Ramnath Goenka: I am glad to hear this, Sir. There are so many other figures which I can quote in which no economy has been introduced; in fact, there is extra expenditure in all the departments. It was the unanimous advice of all the Economic Advisers that there should be a scheme for compulsory saving; that scheme has not been resorted to at all. It was also said that they should try to see that economy was introduced in the various departments of the Government of India. It was also suggested that the provinces should be given the bare minimum of their requirements. But, the result is that we are giving by way of loans and by way of grants to the provinces more than what we did last year. In no department of the Government of India do I find any economy. If there is no economy, if there is no compulsory saving, what do we find? We find 500 lucky people being left out of taxation to the tune of 2,1 crores. It was only 487 people last year; this year it may be 500 people. (*Shri T. A. Ramalingam Chettiar*: "499"). In the case of these 500 people whose income has been more than a lakh and a half, Government have lifted taxes to the tune of 2,1 crores. Is it economy? You do not want to economise or tighten your belt; but you want everybody else in India to tighten up their belt and also to pay more. Because, the incidence of all this taxation falls on the poor man. The provinces go on taxing the poor man; the Centre goes on taxing the poor man; but you do not do anything to economise. This is part I of my proposition.

The second point which I want to take up is the abolition of Capital Gains Tax. According to me this is a most dangerous abolition, which the honourable the Finance Minister has done. Now let me go back to the history of the case in 1920-21 when there was no Capital Gains Tax. The cost of the plant and machinery of all the Bombay Cotton mills was 18 crores. They reconverted it into 42 crores for the purpose of getting a higher depreciation. The result was, that in 1929-30, the state of affairs of the Cotton Mills was such that they could not maintain themselves and many of them had to close down. What happened after the war? Immediately after the war, the big firms began to reconvert them and over capitalise themselves to get more profit into their pockets without paying any tax upon them. At that time, the then Finance Minister decided to levy the Capital Gains Tax so that the amount of money which was going into the coffers of these big industrialists at the cost of the industry could be checked. The process was immediately checked after the Capital Gains Tax was introduced. It is not a question here whether you get a crore or whether you get five crores out of this tax. The question is whether you should mortgage your industry for all time to come. Take the case of an industry whose plant and machinery were got before the war for, say, one crore of Rupees. By the process of depreciation, the plant and machinery has been written down to ten lakhs. To-day if you value the plant and machinery, they will be worth a couple of crores more because the prices have inflated. If the Capital Gains Tax is abolished, I am warning the Finance Minister to take note that, in the next few months, you will find hundreds of big companies being over-capitalised without paying any tax at all. What is the other ground except psychological ground by which you are justifying the abolition of this tax? This tax is being abolished without assigning any reason. What is the

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advantage of this abolition? The disadvantages are that immediately the Capital Gains Tax goes the companies will be overcapitalised and the plant and machinery will be sold to somebody else. You will have to take depreciation at that price. The Finance Minister has decided that he would double the depreciation. I welcome that but what will be the result? In the next 5 years all the capital which has been invested after the 1st April 1948 on these plant and machinery will be written off and the Finance Department will not get any income out of these companies because they will be writing off large sums for depreciation. After five years when it is written off, one fine morning the company is sold to somebody else and the price again is inflated and depreciation claimed thereon. Do you think that it is in the interest of this country, it is in the interest of the industry and in the interest of anybody to allow this tax to be abolished?

Then again there is a proposition that labour should participate in the profits. If you allow them to over-capitalize and if you allow large depreciation on it, there will be nothing for labour to participate in. The participation, of labour will come in only if there is a profit. By this process there is no profit left and no participation of the labour in the profits of the companies arises. This is a very big question and I would request the Finance Minister to look at it from the angle I have given him just now and see whether there is any justification for the abolition of this tax. Then all the other taxes which have been laid down, as Mr. Tirumala Rao has pointed out, the incidence of those taxations was on the poor men and the rich men getting all benefit out of it at the same time. I don't know how far the honourable the Finance Minister who, as I said, is reputed to be the friend of the poor and the common man, justifies all this in the budget which he has now presented.

Shri Mahavir Tyagi (U. P.: General): This is an occasion when the voice of the people as it is—it may be sometimes even in a crude form—must be expressed so that the Ministers, those who have the power of administration in their hands, may know how the people of the country are reacting to their Governmental activities. Therefore, I have chosen not to go deep into the figures and not to repeat the arguments which have already been put forward by my honourable friends on either side. I have to submit only one thing with regard to the budget figures and it is that, the honourable Minister for Finance himself has confessed that he got a revenue of 84 crores more than the expenditure we sanctioned for the current year. The whole of this amount ought to have been shown as surplus. This was more than the incidence we had sanctioned. In fact by chance or by whatever means not by unfair ones— there were more exports or imports. And he got more money which meant that the country was taxed to the extent of 84 crores more than we sanctioned last year. This money should have gone towards savings because we never sanctioned the expenditure of that extra money; and this money has been spent and some more has been spent over and above. But there are reasons for that extra expenditure. There were so many problems—we had to fight our wars in Kashmir and then again rehabilitation and famine—all this expenditure had to be incurred; but we don't want to make this expenditure recurring for good. If this 84 crores were extraordinarily spent this year, we don't want this to form part of our usual budget. So this extraordinary expenditure should not have gone into the scheduled expenditure. Most of the money spent last year even for items which were only of a temporary nature goes into the permanent budget just like the practice in the Secretariat to appoint a man temporarily in the first year and to confirm him the next year. What I wanted to warn the honourable Minister about is that once the budget gets inflated, it goes on at the same rate for ever. All the taxes—whether they be by excise, income-tax or customs or postcard all come from the poor.

The country is already being badly taxed. The reaction of the people is not quite like what my friend Mr. Goenka has said. Money has not gone into the villages. In fact the villagers themselves are dissatisfied. The country has got frustrated and the basic complaint is scarcity of foodstuffs. There are so many other things conspiring together. I leave it at that. Indirect taxes hit everybody equally. For instance Tax on salt hit all equally. Cloth, you sanction everyone say 10 yards, it hits all equally, rich and the poor. If you reduce the income-tax, you give benefit to the rich and supplement the loss by indirect taxes, which means that poor are equally taxed with the rich which is not fair. Same is the case with regard to the excise duty on sugar. It is very good for honourable Mr. Kidwai to say that h will fly the post cards, but the card reaches the villager once in eight or nine days. It is no use telling the villager that his card will be flown in the air. In selecting the items of taxation we must also take note as to how it will react on the psychology of the people at large. It is not only that we are required to tax people, but we are also required to tax them in a manner so that the people may not mind the taxes. If you have come out with a proposal that cards which Mr. Kurshed Lal or his boss Mr. Kidwai will fly in the air shall bear more postage, I would not mind. Why tax me. I want to write only to a village a long way off from your aerodromes and I do not mind how it reaches. I don't want to dilate on this.

The Congress party, the biggest party in the country has contributed its best to the Government. The country has given its best to the administration, but still it looks as if there is not necessary appreciation of the achievements of the government. We have our two big leaders sitting to-day on the treasury benches, and they have done a great deal to raise the prestige of our country. It is only due to them that we have come up so far and that we have won the war—our battle for freedom. But the Congress organisation has to that extent become poorer. The towering personalities having come to the Government, the Congress party—I mean the party outside the legislatures has become much less effective. We have lost Gandhiji too. And unfortunately we have no healthy opposition in the country now. Suppose there is something wrong in Pandit Jawaharlalji's administration, where are the people to go to? There is now no equally balanced important party in the country to which they can go. Opposition is the privilege of the people. If the voters were at any time dissatisfied with, say, the Nehru Government they could challenge the Government and say "either agree to our demands or we would join the opposition and throw out your Government." There is no Mahatma Gandhi to whom they could take their complaints. We, as juniors cannot sit on judgment over our seniors. The people, therefore, feel frustrated. People at large are without any vocal capacity. They cannot express themselves. The success of the Government does not really depend on the Budget alone. The real success lies in the street. The index of their success is 'public opinion'. If we are truely democratic, we should see that the people are rallying round us. Let us now see if we have the people rallying round us. According to my judgement, I am afraid, we have failed, judged by this standard. This is so, not because we have not done enough, but because of other reasons. Indeed, we have done too much. In fact, the gains which Pandit Jawaharlal has got for us in foreign lands are exceptional. In such a short time we have become a real nation and have found a place on the map of the world. Sardar Patel, our Deputy Prime Minister has really achieved too much. There is no parallel to it in history. These two leaders are, if I may say so, earning too much for the nation and it seems, as if, the nation is not in a position to keep pace with them and consume their earnings from year to year. But may I inform both these leaders that your public relations department has absolutely failed you. This department has not made the people realise and to appreciate your achievements, how great and important these achievements are. The publicity department has been a failure because the public at large do not really appreciate what you have achieved for them. And

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therefore they are full of criticism. The public is very critical. May be, it is because of scarcity all round. May be because people do not get enough to eat, and so they are critical. It is for you to find out the reasons.

Now that the Congress has come into power, the people want to have access to the Ministers, at least through the proper channels. But this is not found easy because of red-tapism and also because of the 'steel-frame.' The steel-frame, instead of remaining a frame, has now become a steel ceiling. Therefore freedom is not able to filter through down to the common people the old red-tapism is still there, and it has not been controlled at all. We have the same old structure of Governmental machine and the same old speed with which it moves. The Secretariat people are very clever people. They are experienced persons and get very big salaries too. They come before you and talk nice things and they really want to behave as the courtiers did to King Canute. They tell you what is necessary for respectibility, what is urgent for dignity, and this and that. They do not really do the work that is expected of them. First of all, they get too much pay, Government of India Secretaries get about Rs. 1,000 more than their contractual pay which they would have got in provincial Government. One Minister told me that they are on contractual pay and so their pay cannot be reduced. But I cannot understand the position. If in the Province, an officer who would at least be only a Commissioner on Rs. 3,000, here in the Secretariat, he gets Rs. 4,000 Rs. 1,000 more as extra. In the olden times when the Britishers were here, they organised a sort of committee in the Secretariat, to control the staff and establishment, and it was with a view to see that the posts of vantage and importance all went to Europeans. The same thing is going on even to-day, I am told. Whether that is true or not, it is for the Minister to say. When Mr. Gopalaswamy Ayyangar was without any portfolio, he was deputed or requested by the Prime Minister to look into the whole organisation and see if he could effect any retrenchments or reorganisation. I understand Mr. Ayyangar made a number of proposals. And I am also told that when the Honourable Minister made his report, he said that there are two or three die-hard Secretaries of the Secretariat, and unless they are turned out, the Secretariat cannot improve.

The Honourable Shri N. Gopalaswami Ayyangar (Minister of Railways and Transport): May I intervene? I am afraid what the honourable Member has been telling the House is absolutely without any foundation. I have made no report yet.

Shri Mahavir Tyagi: I see. Somehow or other things have so filtered out like that.

The Honourable Shri Jawaharlal Nehru (Prime Minister and Leader of the House): The remark just made by the speaker that somehow things filtered out, I think, deserves some notice in this House. Many times things are said here which have no foundation at all; and such statements which have no basis or foundation are not in keeping with the dignity of the House. Honourable Members should not make suggestions or insinuations which have no foundation whatever.

Mr. Deputy Speaker: This has often been stated on the floor of the House. As the Prime Minister said, such remarks do not add to the dignity of the House. Therefore, before making any observations, honourable Members will kindly verify if they have any basis or foundation for their observations. If it is only a small margin of difference, there is no harm, but if it is wholly without foundation, it does not add to the dignity of the House.

Shri Mahavir Tyagi: Sir, my request was only to make an enquiry, whether such things are true or not. If they are all baseless, it is all the better, because hereafter nobody need talk about them. I have, indeed helped the Prime Minister in giving him a chance to contradict these rumours. So he must be thankful to me rather than be angry with me.

Then there was an Economy Committee set up. It made certain recommendations, but the Secretaries would not agree to accept them. The Secretaries are too big. I hope the Ministers concerned will agree to look into the matter, and see if the whole Secretariat does not require a regular and drastic overhauling. I understand there is a Committee in the Secretariat consisting of some Secretaries, called Establishment Committee, and without the sanction of this committee no transfers can be effected. Previously a Secretary after spending some three years or more here, used to go back to his Province. But at present they are kept on here. And as I said, this Establishment Committee controls all transfers and postings. I do not commit my previous mistake of mentioning the name of the Minister, but I understand that one Minister made a request that such and such man should be given to him, and this Committee refused to do so. Sir, it is this Committee which really holds the key of the whole organisation. It is just like the old days when the British were here. I therefore say that this should be changed and in the Staff or Establishment Committee there must be one or two Ministers to see to it that positions of vantage do not go to undesirable persons.

And then, there is a lot of nepotism in the Secretariat, and I wish the Ministers would make enquiries from every one of their officers as to how many of their relations are employed there. I am informed by men in the Secretariat that there are three sisters married to three different husbands and all these three are Secretaries of Government. And there are a many other relations of one or the other Secretary.

Therefore, Sir, firstly, we must look into the organisation of the Secretariat. I have a lot more to say, but the time is up and I shall do so during the cut-motions. I am sorry I could not have my full say.

Kazi Syed Karimuddin (C.P. and Berar: Muslim): I congratulate the Minister in charge of Finance for his admirable speech. He is one of the ablest of men in the country but the Budget that he has presented to the House does not contain those proposals which were greatly needed. Because of his administrative experience, many of the theories he has advocated have been given up now.

The most important problems facing the country are food, industry, taxation, sterling balances, borrowings and defence. The honourable Minister of Finance while speaking at the Associated Chambers of Commerce, Calcutta, said:

"The present slump in the investment market is due to high rate of taxation, diminished margin of savings and shattered confidence of investors and uncertainty of Government policy".

As a result of that speech, and as a result of the conclusions to which he has arrived, he has abolished the capital gains tax, given a reduction of tax for incomes up to Rs. 10,000 and in super-tax on earned and unearned income. In 1947 the honourable Finance Minister was the Minister for Railways. While advocating these very taxes he had said that a lower rate of profit had to be considered sufficient under present conditions of the proposals providing incentive to investment. If those who are in charge of great concerns are looking for a rate of return higher than that, then we are going to be faced with a problem which involves serious issues of national policy. The question arises whether the kind of economies you expect from competitive initiative and those pledges associated with private enterprise will not be wasted by increase in capital charges which private investment would employ. If that issue is to be raised in connection with the Budget, the country will have to face the serious question whether it is worth while to continue private enterprise and whether capitalism should have a longer lease of life.

[Kazi Syed Karimuddin]

While these taxes were imposed in 1947, the honourable the Finance Minister was of the opinion that if the capitalists demanded more reduction, then the question before this country will be whether to nationalize the industries or to stop the capitalist system in the country. The conclusion I come to is that he finds that after 1947 the investment was not forthcoming; that the investors did not take advantage of the proposals made even last year and instead of adopting a national economy in this country he has reduced taxation to such a great extent that the poor man is hit by new taxation on sugar, cloth and postage.

Sir, even last year taxes were reduced. We have seen that mere reduction of taxes does not serve the purpose. This may be an incentive to capital but not to labour. The present unsatisfactory position is only due to the theory of mixed economy that has been advocated for the last two years. On the one hand the Government want to tell labour that they will have a share in the profit-sharing. The capitalists either do not agree to this or are reluctant to accept it. On the other hand, the Government pats the capitalist and says that he should go on with private enterprise. This creates an uncertainty in Government's policy and everything is uncertain. The only test is whether by the theory of mixed economy we have been able to solve the conflict between labour and capital. Between capital and labour, the gulf is being widened every day, and unless labour is satisfied, in my opinion it is very difficult to have stabilized industry in the country. Now we are seeing the developments in China and other countries: whereas labour in our country is making growing demands and making slogans of surplus value, unearned increment and profit-sharing. What is the remedy against this? The question is that unless the essential industries are nationalized, labour cannot be satisfied, and if industries are nationalized and if labour is still not satisfied, the entire country will be on the side of the Government. Railways being a national industry, we have seen that in spite of the demands of the railway workers, the country was entirely on the side of the Government. So, in my opinion, the only solution to this problem is that the industries which are essential, should be nationalised, otherwise this problem cannot be solved. Though all taxes are being withdrawn, even then the capital would not flow.

The next question is the agricultural policy of the Government of India and whether any measures have been adopted in this Budget for the improvement of the food position. Sir, I have heard many debates, many discussions and many speeches regarding the improvement of the food situation in India. But I find that while we discuss, and the more we discuss this problem, the more we find ourselves in a whirlpool of confusion and perplexities. Every year there is a shortage of food. Every year all our schemes for the production of more food are failing miserably. In my opinion the only remedy that could have been adopted in the Budget was that this subject should have been made partially a Central subject, and agricultural banks ought to have been opened in every corner of the country, and Government farms and co-operative farming should have been introduced on a very huge scale. It is futile to give a paultry aid to the agriculturist unless you introduce agricultural banks: and unless there is co-operative and collective farming, it is impossible to satisfy the food demands of the country. Therefore I do not find any concrete proposals in the Budget to satisfy the people that there is some chance of improvement in the food situation. In the event of an international war, if this shortage of food continues, it is inevitable that the country will starve.

Another point which I would like to touch is Defence. There can be no two opinions that we want an impregnable military might. As has been remarked by another honourable Member on this side 157 crores out of a total budget of 322 crores in abnormal times may be reasonable but in normal times an expenditure on defence of 157 crores is exceptional and it seems to me that there is a race for armaments, because I read in today's paper that even in

Pakistan out of a total of 111 crores budget they have provided for a defence expenditure of 47 crores. Therefore in my opinion if there is a non-aggression pact between the two countries it will be to the betterment of both the countries. The proposal for joint defence on the east and west will be much more advantageous; the expenditure on defence will be reduced and the internal problems with which we are faced will be tackled much better.

I want to say a word about the sterling balances and our borrowings. On the basis of the figures given in the Budget I find that the sterling balances are being exhausted on account of capital repatriation and on account of pensions and commutation of pensions and also on account of import of consumer goods. We are also short of dollars. I submit that in case the Finance Minister incurs a loan from the International Bank of America for reconstruction and development an assurance to this House should be given that no consumer goods will be purchased from America. Otherwise America's present policy is to capture the commercial markets of the world and to advance loans with the ulterior motive of commercial gains. If India were to be benefited by loans taken from America an assurance ought to be given to this House that the money will be spent on the purchase of capital goods. Therefore my appeal to the Finance Minister is that in view of the speech he made in March 1947 the economy of this country should be changed. Sir, I have done.

Shrimati Renuka Ray (West Bengal: General): I would yield to none in my high regard for the outstanding ability and integrity of the honourable the Finance Minister and it is perhaps for this reason that I am all the more disappointed with the budget that he has presented to this House.

A reference has already been made by previous speakers to the capital expenditure which runs into a huge figure and that has been left uncovered. Perhaps the honourable the Finance Minister has the hope that he will be able to cover this by borrowings during the year but I do think that it would have been better for him not to have said that he has presented a balanced budget under the circumstances. I do not think that there is any particular sanctity or merit in a balanced budget, particularly in a country which has so much leeway to make up in nation-building services and in development plans. It is impossible for us to break through the vicious circle which now confronts us unless we make at least a first attempt in this direction and, there is little or no indication at all in this Budget of any kind of provision for these basic and fundamental needs. I fully realise the difficulties and the anxieties of the honourable the Finance Minister when he is faced with this inflationary situation in the country; but the problem of inflation in this country is mainly a problem of shortage of goods and commodities as against effective demand and therefore the rising prices are the consequent result. Hence it is at this end that this problem must first be tackled. Production and development in its many phases is the way out.

Now there are two very fundamental factors that we have to cope with. The first is the immediate need for capital formation, to meet the requirements of development expenditure. Large scale borrowing is not possible also, unless there is some capital formation and the prospects in that respect are better but new steps have to be taken. It is no use for the Government to follow the beaten track when we are faced with a national emergency. It is no use for the Government to wait on the sweet pleasure of the capitalists for the formation of capital in this country. Last year the previous Finance Minister made many concessions to the capitalists. He reduced the business profits tax and also gave relief to the higher incomes. This year the Honourable Dr. Matthai has done the same. He has abolished the capital gains tax. I won't dwell upon it but I think it was quite unjustifiable. But even so I do not think

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that the hope which the honourable Dr. John Matthai has, *viz.*, that it will bring capital in the market will be realised, for the simple reason that the more the concessions made, the more is the bargaining to be expected. I think that the speech of the President of the Indian Federation of Commerce and Industries yesterday is a very good indication of this. The kind of feeling amongst them is that the Government is being forced to its knees and so why not we hold on until it is absolutely at our feet. That is the kind of feeling among the capitalists. I do not say that there are no notable exceptions amongst them but this is the brand of capitalists that we have in India today and Government has to cope with that situation. Therefore it seems to me that other ways of capital formation can be brought about. If it does not come voluntarily there may be compulsory savings on deferred payment basis for higher incomes. That is the first essential

I think the yield from the sale of national savings certificates has remained pretty steady. It is something about 34 crores. I think that if a drive is made throughout the country through Congress organisations in the districts and even in the villages, using their services for the sale of national savings certificates, at least 50 crores could be raised by that step alone. Also compulsory savings for agriculturists and others over a certain income level should be introduced. This proposal I think has been recommended to Government and it was the scheme of my honourable friend Mr. Khandubhai Desai and I do not understand why none of these schemes have been given any effect to as yet. I think that if some of these measures are introduced then capital which is very shy just now will be forthcoming. Particularly when it is found that there is no likelihood of very high profits I am quite sure that this capital which will come forward will be satisfied with a little less profit.

Turning to the other fundamental factor, I have already said that the nation-building and development services are the very basis of our economy. I am not speaking from the point of view of social justice or the need for equality of opportunity but from the material point of view alone how can you increase the level of your efficiency and thereby the output in this country unless those on whom rest the basic services are able to cope with them. If you do not have health, if you do not have education, if you do not have food, if you do not have housing, then how can we increase the level of efficiency in this country or of output? It is from that angle that I would ask the honourable the Finance Minister to look at this picture. It is indeed a shame that no beginnings on this seem to have been made in the Budget for this year.

The Finance Minister is waiting for the Report of this Economy Committee. So far as we can understand, it has been rather disappointing for the Finance Minister himself. Development grants in the Centre and the Provinces for the much needed services have been held up for these schemes that have already been sanctioned. Such is the state of affairs in what I consider the most important and the most basic of all services. I am not speaking at all about social justice but speaking only from the point of view of raising efficiency in the country so that our output can be increased.

I will not dwell on the subject of food because we have already had much discussion on this subject before, but I would like to make one suggestion. I think that if the Central Food Ministry is not to remain for ever in the clutches of the Provincial Governments in regard to food subsidies, the first step that they might take is to have a statistical survey—a sample random survey would do—which may not be absolutely correct but which will give the picture of what kind of procurement can be made in the Provinces. It must be the

Centre which lays down the terms of that procurement and if the Province refuses or cannot procure as much, then the food subsidies must be refused to them. I think that would be a very effective method of dealing with this matter.

I will not go very much into the taxation side, many people have already spoken on it. I have given my opinion of the Capital Gains Tax. It is very reminiscent of the budgetary devices of the earlier days, of the old regime, such as that of Sir Jeremy Raisman when we hear of the enhancing of these postal rates and perhaps one or two other items. I feel sure that the honourable the Finance Minister will make these concessions to the views of the House as was done last year in the case of tea and sugar.

Shri B. Das: Please be ready to announce it.

Prof. N. G. Ranga (Madras: General): It is for the Select Committee to consider.

Shrimati Renuka Ray: I will now turn to the expenditure side and dwell only on two important items. Defence has already been spoken about. It is almost half of our expenditure, about 47 and 48 per cent. The U.S.A. spends 25 per cent. of its budget on defence, the U.S.S.R. 17 per cent. and the United Kingdom 13 per cent. We spend 48 per cent. That is one side of it. The other point is that even supposing you do not want to bring down your expenditure on defence, why has no move been made to re-adjust it? I can understand a huge army of occupation in a country under occupation, to subjugate the people, but what right or justice is there in keeping a huge land army in a country which is free? Is it so in any other country? Should we not have instead voluntary or auxiliary forces and National Cadet Corps and such things—You do not keep huge standing land armies in countries which are not under subjugation.

Shri R. K. Sidhva (C.P. and Berar: General): What about our borders?

Shrimati Renuka Ray: Whatever be the problem of our borders, when the people of the country can be armed—and it is not the question as in the old days when the people of this country could not be armed—it can be solved by voluntary or auxiliary forces.

Prof. N. G. Ranga: Wait until they are raised. We ourselves passed Rs. 6 crores in the Standing Finance Committee the other day.

Shrimati Renuka Ray: Sir, 20 per cent. of the money could have been cut on land forces and could have been spent perhaps on the Air Force and the Navy, or it could have been used for re-settling the demobilised soldiers and agriculturists on reclaimed land.

I had something to say about general education but as others have spoken on it I will not reiterate this point at all as there is no time.

Before I conclude, there are two points which I want to make. One is with regard to the general corruption in the country as a whole, in all walks of life. I think it is the clear duty of the Government to make some really exemplary examples of people who are highly stationed in life and to go in all out against corruption and blackmarketing so that it becomes an effective deterrent for the country. If no other way will bring us to honesty at least let us try that way.

Then, we are facing a very grave national crisis and in such a crisis there is need for the closing up of all the ranks who are opposed to the communists who want to disrupt the State and bring India under a new type of imperialist domination. Therefore, there must be a close-up, first of all, in Congress ranks, and group politics should not be allowed. Secondly, there is an

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absolute necessity for consolidation in the leftist ranks who are all opposed to the communists. I would appeal to my honourable friend Mr. Harihar Nath Shastri and Mr. Khandubhai Desai that it is time that the Socialists and the I.N.T.U.C. came together in this matter. The recent speech of Shri Jai Prakash Narayan on the Railwaymen's Federation and many of his subsequent statements show that so clearly—if a proof were needed—that the Socialists do not want disruption, that they are as much opposed to the Communists as anybody in this House. Therefore, in this national emergency it is necessary that there should be consolidation in the labour front and in the Government. (*An Honourable Member*: "But it is the Socialists who have deserted us.") It has been said that it is they who have gone out. I am quite willing to concede that the Socialists have shown a very unrealistic approach. Many a time they have done many things that they should not have done and left many things undone that they should have done, but the Congress is the older Party. They were your comrades during the days when you were fighting for freedom; these were the men and women who stood shoulder to shoulder with you in the struggle of 1942. Surely, when the Congress has shown so much generosity towards those who were clearly outside its ranks before and who today are on the Ministerial Benches, to these people who may have made many mistakes, it is for the Congress to show again that generosity.

Shri R. K. Sidhva: They have gone away on their own account.

Shrimati Renuka Ray: They have gone away, but it is surely for those who are older with more experience, those who are wiser, to ask them to come back today and help in this national emergency. It is only responsibility that can teach a realistic approach to anyone and I feel certain that if today men of the calibre of Shri Jai Prakash Narayan and Acharya Narendra Deo and women like Kamla Devi Chattopadhyaya were associated in helping the country in this emergency, it would be all to the good.

Sir, I am sorry I have taken up so much time. I would merely like to say to the honourable the Finance Minister again that we all have great faith in him, but we are extremely sorry that his Budget this year is not up to the mark.

The Assembly then adjourned for Lunch, till Half Past Two of the Clock.

(*The Assembly re-assembled after Launch at Half Past Two of the Clock, Mr. Deputy Speaker (Shri M. Ananthasayanam Ayyangar) in the Chair.*

Mr. Deputy Speaker: Mr. Wilson.

Mr. T. J. M. Wilson (Madras: General): Sir, I do not wish to speak now.

Mr. Deputy Speaker: Honourable members who have given their names, but are not prepared to speak, will lose their turn.

Shri Mihir Lal Chattopadhyay (West Bengal: General): Sir, after hearing the speeches of so many honourable members who have spoken so ably it is but natural, to expect that the honourable the Finance Minister will sympathetically consider the various proposals that have been made. I do realise that it is really a difficult task for the honourable the Finance Minister to shape his Budget as he would like, with a heavy load of about Rs. 158 crores on defence expenditure. The defence expenditure is a constant headache for a country like India which is so poor and has got so many problems to be solved. But looking at the mounting tendency of the defence expenditure, I feel

the time has now come for us to think very furiously as to how it might be possible to reduce that expenditure. It is really a matter for great concern to a poor country like ours that even in peace time defence expenditure should be as high as Rs. 158 crores.

The honourable the Finance Minister has presented a Budget which has no characteristic, no speciality, of its own. It runs in the same old humdrum fashion and really there is nothing in it to encourage the common man. Whatever praise the mercantile community and commercial interests of this country might shower on the Finance Minister for the consideration that he has shown them in the matter of abolition of capital gains tax and reduction of supertax, the common man has not felt enthusiastic over this Budget; and if consideration is not shown to the extent the common man deserves, I am afraid the day is not far off when it will be difficult to keep him happy and contented.

The revenue is estimated at Rs. 307 crores. I can quite understand that leaving aside the defence expenditure the honourable the Finance Minister has to cut his coat according to his cloth, and that he has hardly Rs. 149 crores to cover the Civil expenditure. Now let us see how this amount is distributed among the various nation building departments, because the common man does not bother so much about defence as he bothers about matters which directly concern him most. Looking to the expenditure side, we find that under heads like Medical, Education and Agriculture, the Finance Minister has not been able to place much money. So far as Education is concerned in the revised estimate of 1948-49 there is an expenditure of Rs. 162 lakhs. In this year there is provision of only Rs. 194 lakhs. For a country where only ten per cent. of the people are educated, for a country which has taken up the responsibility of making one hundred per cent of the population literate at least in 10 years, which is a stupendous task, this amount of Rs. 194 lakhs is very meagre.

Shri C. Subramaniam (Madras: General): Is it not a provincial subject?

Shri Mihir Lal Chattopadhyay: Does not matter—even the Centre has got a responsibility in the matter. Looking into the Budget we find that in 1948-49 there was provision for Rs. 146 lakhs under Medical, but unfortunately this year it has been reduced to Rs. 112 lakhs. For a country which is so much in need of medical aid, where people die in lakhs for want of proper medicine and treatment, in parts of which there are no hospitals even within a distance of ten or twelve miles, there the most essential need is to reach medical aid to the rural areas. But, unfortunately, we find that the provision under this head has been reduced. This, in my opinion, is an extremely regrettable step Recently I had the opportunity of visiting some rural parts in West Bengal and I found the extreme eagerness on the part of the people to have dispensaries in the rural areas. The Government there was, however, insisting on contribution from the people for starting dispensaries in the Unions and thanas. In one district it was brought to my notice by the District Magistrate himself that nearly a lakh of rupees had been deposited by the people, and in some cases people had made gifts by registered deed of as much as six bighas or two acres of land. Some of these things have been done as late as November and December 1947. There has been no hospital in 1947, there has been no hospital in 1948 and during the time that I was there there was no hospital, even though the people had co-operated in such large measure for the establishment of hospitals in those areas. (*Interruption*) That is the most unfortunate part of it. We have a doctor Minister and a doctor Secretary in West Bengal.

Coming to agriculture I find in the budget estimate of 1948-49 there was provision for 192 lakhs. I do not know the reason why this amount has been reduced to 112 lakhs in this budget of 1949-50. While we are always under

[Shri Mihir Lal Chattopadhyay]

the expectation that the Government will be devoting more and more attention to the improvement of agriculture in this country to tide over the food shortage, it is most unfortunate that there has been a reduction in the budget under this head as compared with the budget estimate for 1948-49. On the contrary I find from the figures available here that whereas in 1948-49 there was a provision under the head External Affairs for an amount of 208 lakhs, in this Budget which is under consideration the amount has been increased by 50 lakhs. This shows how the administration has been moving. For most essential needs in the country money in adequate quantity is not being spent but more money is being spent on External Affairs, Embassies and other matters. This is a thing which is not understandable by the common man. The common man wants food, the common man wants medical aid and he wants education. If we have to effect hundred per cent. literacy in this country within a period of ten years I do not know how it would be possible if there is only an increased provision of only 82 lakhs under the head Education as compared to last year.

The Finance Minister has been well appreciated by the commercial community, the reason being that he has been to some extent partial to them or it might be that he wants to placate them to a certain extent in order to get them produce more in the interest of the country.

Prof. N. G. Ranga: He has gone back to his old love.

Shri Mihir Lal Chattopadhyay: I have not much quarrel with him on that matter. If really by showing some amount of indulgence to them he is able to show better results, the future will judge it but the amount of indifference, callousness and to some extent cruelty—I should say—that he has exhibited towards the common man in the country was not expected of a Finance Minister under the present regime. I am really shocked at his proposal to put an additional tax on paper. Ours is a poor country, where only about ten per cent of the people know how to read and write and if it is contemplated by the Finance Minister that paper also should be made more costly it means nothing but a taxation on knowledge, a taxation on learning and education. I think it will adversely affect the spread of education in this country. People in the rural areas who demand free compulsory education will be shocked. They have not got the money to bear the cost of education of their children and if paper is also made more costly by further imposition of duty then the common man who sends his children to the school will find their education even more costly than now. Of all the taxes that he has proposed this is possibly one of the worst.

So many other speakers have spoken about the enhancement of rates on postcards and envelopes. I need not labour that point. If speaking in this Assembly has any value, if expression of opinions by the members of the Assembly have any respect, I earnestly hope that the Finance Minister will consider this matter very seriously. Things are said here not in fun or just or merely for the sake of speaking. Each and every member has spoken very violently on this measure and I feel that the method by which the Finance Minister has attempted to enhance the rate on postcards and letters is not certainly a very straightforward one. He knows in his heart of hearts, he knows absolutely without any doubt in himself that letters in rural areas are not going to be carried by air. He knows that letters are written from one village to another, from one district of a province to another district in the same province and what is the necessity for the honourable Minister to take cover under the false pretext that all letters will be carried by air transport. (*Babu Ramnarayan Singh*: "Cheating!") It is, I should say, not befitting a man of the type of Dr. Matthai. He ought to have spoken quite plainly

that it is for the convenience of those people who write their letters by air mail that he is doing it. It may be that some losses are being borne on that account and that is to be made good by taxing the people who live in the rural areas and whose letters are never likely to be carried by air mail.

Pandit Thakur Das Bhargava (East Punjab: General): The surcharge also has been removed.

Shri Mihir Lal Chattopadhyay: Yes. Finally I would like to say that I am very much distressed at the budget. If the amount of money that we are getting as revenue is not sufficient to cover the expenditure let the ministers think hard as to how to balance the budget without drawing upon the reserves very much.

There is another regrettable feature which I would like to touch upon. So much has been said about sugar. But I am astonished to see under the head D.– Statement on the capital disbursement by the Central Government—there is an item Reserve Fund for the protection of the sugar industry. About 77,000 were spent last year from this account and again 151 lakhs are likely to be spent this year and this has been provided for. I do not know why this amount is necessary after the industry has made huge profit.

I would request the Finance Minister to devote some attention to the financial condition of the provinces and the States as well and do something to help them in any manner that is possible.

Shri Khandubhai K. Desai (Bombay: General): Sir, while speaking on this budget, there is a mental conflict. As everybody in this House knows, Dr. John Matthai is straightforward, honest and sincere. It is also admitted on all sides that his intellectual attainments are also of no mean order. But, when I scrutinised the budget, there was in store for me disappointment and despondency. I do not know how to describe the budget. The budget has not got in it anything which will strike the imagination of the common man. Neither has the budget got any foresight in it.

There has been a wide disparity between the estimates which were placed before us last year and the revised estimates. Of course, Dr. John Matthai is not responsible for it, as far as the estimates were concerned; but, Sir, he has been responsible certainly for the last six months for the expenditure side of it. The revised estimates as they have been placed before us both for income and expenditure are wide off the mark only to the extent of 33 per cent. I think it is not a budget. And, as everybody knows, if the income continues pouring in, extravagance increases. While scanning through the figures, I found that in one item 'Miscellaneous' the amount for this year has gone up from 35 crores to 59 crores. I do not know what this item 'Miscellaneous means.

After all, he has not given us any hope for the future economy in the administration. The Economy Committee presided over by a businessman of the calibre of Kasturbai Lalbai is hanging fire, so to say for the last year and a quarter. The last Finance Minister, as a token of his earnestness and sincerity to effect economy, put in a token economy of two and a half crores. But what do we find? Instead of that we have got expenditure mounting up to 33 per cent more. Where is the question of economy? Even today, no hope is being held out that there will be any economy in the administration. This much as far as the estimates are concerned.

Sir, relief has been given. To whom? To persons who never deserved any relief. In the hope that capital will be flowing in industry, that there will be development, that there will be more production, the last Finance Minister gave relief to the tune of six crores. Now, he has given relief to the

[Shri Khandubhai K. Desai]

extent of additional six crores: altogether about twelve crores and this money is being taken out from the common man. What have we seen? During this year again, there is the cry from the rich that they are ruined, they are ruined, they are ruined and the Finance Minister is affected by this slogan. The same cry persists till Doomsday. You will never get them to invest anything in this way. There has been increase in production. But, that is due mainly to the industrial peace that has been there in the year 1948. Even with the increase in production, the prices have not come down. There is something wrong somewhere in the monetary mechanism of the State, of which the Finance Minister himself is the custodian. We are suffering from high prices, inflation. Have we seen anything in the budget which is going to fight this inflation? Nothing, in any shape or form. But, on the contrary, my fear is that the cost of living during the next month or two might go up by at least 15 points. There has been indirect taxation in the shape of excise. Sugar has been taxed; even the coarse and medium count cloth has not been spared: betel nut has been taxed. That is not all. A slogan has gone round, rightly, from the honourable the Finance Minister to the Provincial Finance Ministers—you balance your budgets, do not have any deficits. Let us see how they have balanced their budgets. Most of the provincial budgets are out. They have also gone to the extent of imposing a sales tax on chillies, spices, tamarind and what not.

Shri R. K. Sidhva: One has put a tax on food also.

Shri Khandubhai K. Desai: Tamarind itself is food, I think.

Shri R. K. Sidhva: No; there is some grain also.

Shri Khandubhai K. Desai: All these things are going to come out of the poor consumer and raise the cost of living. I would like to know when are we going to get a reduction in the prices. I am afraid we are in for difficulties during the next year. I certainly expected something better from Dr. John Matthai; but we are disappointed. Inflation has not been fought as he ought to have done with a brave heart and a firm mind. He has not done this as is apparent from the budget.

There is one other point to which I would like to make a reference and that is the abolition of the Capital Gains Tax. If the honourable the Finance Minister thinks that it is quite good after I have placed before this House and before him the implications thereof, he is welcome to have his own views. The Capital Gains Tax is a sound tax on all economic grounds. It is a tax on unearned increments. It is not in the nature of getting money as much as a deterrant and a preventive tax. Immediately this tax is abolished. I am afraid the old companies will go in for recapitalisation. The present paid up capital will go up and you and I would have to pay through our very nose for the next generation the return on that inflated capital. Our future Income-tax return will, in my opinion, be depleted, because depreciation on that inflated amount would have been charged and exempted from taxation. Then all this talk of profit-sharing and fair wages also will go into scrap. If the present companies are permitted to recapitalize and they are bound to do it otherwise why should they insist on the abolition of this tax, then there will be nothing left after giving them even 3 or 4 per cent. on the new paid-up capital and the depreciation on the new capital. Then I would like the honourable the Finance Minister to enlighten us in his reply one point which I could not understand. He has given depreciation at double the rate on all machinery that has been erected after 1948. Naturally the machinery erected upto 1948 would have paid 4 times the normal prices and if the rate of

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5 per cent. is made 10 per cent. and if those plant will work 3 shifts then they would have paid 30 per cent. It will mean within 3 years they would have written off the whole of the account and what will happen then. If that is the implication, it is very dangerous and risky and it is a great burden on the community. Because to that extent the income-tax returns will be depleted.

There was a full-fledged food debate and I did not want to say anything much about it but now that the figures have come before us, there is a loss about 32 crores of rupees in food. In rationed areas the food is sold to consumer at the same price as imported price. Same amount is also being spent out from the Provincial Budgets and therefore if 32 crores in addition to the amount that is spent out by provinces is altogether the food subsidy, then I am afraid there is something wrong somewhere and it does call for a very close scrutiny and investigation.

The principle of going in for excise duty increasingly is a very serious proposition in a capitalistic society. If the society is based on profitless motive, excise duty may be probably the only source of income but in a society where there is profit, where there are higher incomes, excise duty certainly is a very bad principle and one should think hundred times before advancing this sort of economy

Prof. N. G. Ranga: What about handloom weavers? Should they not be protected from your textile mills?

Shri Khandubhai K. Desai: That is a different proposition. If I have time I will discuss it in much detail.

The honourable the Finance Minister will perhaps ask me "you said there should be no taxes imposed, then how I am going to balance the budget." My suggestion is that the relief which he has given to the vested interests has not satisfied them and so let him withdraw that. Six crores are saved and the additional taxes of 14 crores he need not impose, and he must ask the various Departments to economise to that extent and it will not be more than 4½ per cent. Then I think the budget will be balanced and there will be time enough for the honourable Minister to think what to do during the next six months to fight inflation to bring down the prices. With these words, I commend my suggestions to honourable the Finance Minister.

Shrimati Ammu Swaminadhan (Madras: General): I hope the Finance Minister will forgive me if I also start by saying that with the great faith that we in this House and people outside had in him, we were looking forward with great hopes to the budget he was going to present. But after his Budget speech and after reading all the details in it, we find it is a very disappointing one as far as the common man is concerned. I feel the budget of Dr. Matthai will appeal more to the businessmen and to those who are of a higher income level. What has he done for the poor man, who is already burdened with very heavy prices which is prevailing in the country. Every essential commodity has gone up in price and now they will go up still more because of certain indirect taxations. It is true that the lower income man does not pay an income-tax but that is no relief to him at all. I would first like to take up the question of cloth. Every man in this country or in any other country needs cloth and it is an absolutely essential commodity. I have no quarrel with the Minister when he puts up the excise duty on fine and superfine cloth but I would say that he was wrong in putting up the duty on coarse cloth which is what the poor man wears. I wish he could have balanced the budget by raising the duty still more on the fine and super-fine cloth and left the poor man's wearing apparel alone.

[Shrimati Ammu Swaminadhan]

I know many members have already spoken about the second point I want to raise *viz.*, the case of postage charges. I feel very strongly about this and I don't mind repetition of this point and though it has already been mentioned by most of the members I feel that we must really protest against the raising of the postal rates on post cards. The Finance Minister and perhaps members of this Assembly including myself may not feel any hardship because to begin with we hardly ever write on a post card. By all means make the postal rate on air mail letters higher and those who write by air mail do not mind paying a little more for airmail letters. But why make it compulsory for everyone to send letters by airmail. Surely those who write post cards are people of the category of teachers, clerks, villagers, domestic servants and even though the additional cost is only three pies which sounds very small to us when we talk in terms of crores, to a poor domestic servant getting a very small pay three pies is a great deal. So I do feel that if it was a question of increasing the finances and getting more duty on the different commodities, surely more charges could have been put on airmail letters I entirely agree with Professor Shah when he said that the man in the village does not care whether his letter goes by train or by air and in any case all villages are not touched by airways

Regarding other commodities, the poor man is already paying very high prices for essential commodities and today when the Central Government does not tax the poor man, the Provincial Government steps in and the prices of such things as chillies, cocoanuts, oil and lots of other necessary food commodities have also gone up very high due to enhanced taxation on these articles. So while you are having indirect taxation and while the provinces are taxing the lower income man, is it right for the Finance Minister in order to balance the budget to put more burden on the poor man. If you want more taxation, what about the Estate Duty that we have been hearing of for such a long time. Is not the Finance Minister going to introduce Estate Duty and get more money from the rich? This duty will touch only the rich and not the poor man. I find in looking through the estimates for the coming year that there is a great deal of increase in every Ministry. Apart from the Health Ministry and Education Ministry where I don't think any economy should be introduced, I think every other Ministry could have had certain economy introduced.

But instead I find there is a great deal of increase proposed in every Ministry, and I do not think this is the right thing to do. Why have we had this Economy Committee? Why do we have their proposals? As it is, one does not see any economy introduced anywhere. It is always enhancement of taxes or decrease of taxes with regard to business people that we find. Sir, other honourable Members have already spoken about other taxes which could have been imposed and which would have touched only the rich man. But all those taxes have been left out and again and again the poor man has been burdened with more and more indirect taxation.

Sir, though we have had a food debate, I would like to say a few words now about the food policy of the Government. We seem to be spending enormous sums of money in getting food from other countries. How long are we going to do this? At this rate, will there be any currency left in the foreign countries, to our credit? Will there be anything left with which to buy the machinery so badly needed in our country? We cannot afford to go on at this rate. We must get the Government to do propaganda to the effect that each province should become self-sufficient. Each Province should be told that the food subsidy given to them would be very much more limited. We are not living in war-time. It may be that we are not living in normal times either, but if we allow this policy of getting food from abroad to continue, I am afraid it will never come to an end. It is also making the provinces feel that when-

ever there is shortage, they may appeal to the Centre and get more grain. I do not think that is a right attitude to develop. We should not encourage such attitude I think, the provinces should be a little more severely dealt with and told that they must make their own areas self-sufficient in the matter of food.

In this connection I would also add that though the people may be used to mono-diet, the Government must do propaganda and make them go in for different diets Coming from the South as I do, I may say that I am used only to rice and *dal* or certain other grains, but it is time that the Government did sufficient propaganda and made the people understand that in the interest of economy of the country it is absolutely necessary for us to take to other varieties of food. We must also encourage the establishment of dairies all over the land so that people may have more nourishing food, like milk and milk-products.

I do not think it is necessary for me to go into all the detailed proposals in the budget. I do hope that the honourable the Finance Minister when he finally considers his financial proposals he will take into consideration the views expressed by us all here, which I am sure is for the benefit of the common man of our country who forms the greatest part of the population. While I congratulate him for certain reliefs that he has given, I feel they have not been given to the men who really deserve them. Once more I would tell him that in spite of having great faith in him, and great faith in the budget which he was going to present, I am sorry we have been disappointed to some extent, and I hope this disappointment will be rectified to a great extent before we finish with the Budget.

Shri O. V. Alagesan (Madras: General): The criticism against this budget is not confined to this House, and the main critics are not represented in this House; they are outside. That is all the more the reason why that opposition should have been taken into account while framing the budget. But I am sorry to say that that aspect of the matter was not looked into. There is misrepresentation in the country that this is a capitalistic Government. Of course, all of us know that that is not true. But I am forced to admit that this Budget gives a handle to that argument. I am sure the leadership and the rank and file of the Congress are quite sound and they will scotch all harmful influences that may be at work for the time being. This is a famine budget and the provision for the importing of as much as 4 million tons of food grain from other countries and of more than Rs. 82 crores for subsidising distribution bears this out. We are going through a famine and critical period. In a famine period we usually take from those that have and give it to those that have not. But the honourable the Finance Minister has perhaps chosen to follow the Biblical precept, namely that to those that have, more will be given and from those that have not, even the little they have will be taken away.

Sir, I do not want to join the chorus of condemnation that has been going on in this House from yesterday, but I may tell the honourable the Finance Minister that if this budget had come from his predecessor it would not have occasioned any surprise or disappointment. He was careful—I mean the other gentleman—and because he suspected that his budget would be branded a capitalistic budget on the slightest pretext, he was anxious to take into account the other side. Hear, in the present year, the opposite has happened. Our Finance Minister, being a socialist by conviction, has gone out of his way to appease the capitalists of the country. I do not think he was justified in that, and as one of the previous speakers pointed out, he has helped those that did not deserve help. I would like to know whether they have played the game so

[Shri O. V. Alagesan]

far. They have not. The honourable Finance Minister has acknowledged in his speech that labour has played its part. There has been fewer strikes and there has been greater production. But what did the capitalists do? The Governor-General advised them; the Prime Minister appealed to them, the Deputy Prime Minister assured them, and the honourable the Finance Minister has been coaxing and cajoling them. But with what result? Our loans, the loans floated by our National Government were not subscribed. The response has been next to nil. When a loan of Rs. 150 crores was floated, Government got only Rs. 55 crores. What was the position when an alien Government was ruling this country? Their loans were over-subscribed within a very short time. Does this not show that that section which is being appeased is perhaps the most unpatriotic section in the country today? So, this policy of appeasement, I fear, may not bear fruit; it may on the other hand lead to greater demands. After all, they have had everything they wanted from the honourable the Finance Minister. Having practised successful non-co-operation against the Government they have had their pound of flesh, true to their Shylockean tradition.

Sir, all this has been done in the name of greater production. We want more and more investment and so we have to appease this section. That is the argument running through the speech of the honourable the Finance Minister. Since there exists a national emergency today we are going to have a Bill tomorrow asking labour not to strike. We are going to say to labour, "if you strike you will be punished," but what has capital been doing? Was it not tantamount to strike—I should like to ask the honourable the Finance Minister. They have been all the while striking. Will there be a Bill to say to them that they will be punished if they don't co-operate? If they don't invest up to a certain limit and if they don't subscribe to our loans, will this Government say to them that they will be punished? I am sure the honourable the Deputy Prime Minister is capable of doing it—perhaps he is the only force today who is capable of doing that. Many people misrepresent him as being lenient towards capital. I don't think it is true because he is the one person who has seen the last of the feudal relics in this country. It is not too much to expect from him to deal with these capitalists in his own way.

I leave it at that and pass on to the other object of this Budget, namely bringing down the high prices prevailing in the country today. It may seem paradoxical for the Government to speak of high prices when they themselves are regulating the prices. They regulate prices to a very great extent. My excuse for bringing in the question of food prices now is that I was unfortunately not present here when food was debated in this House for two days. Going through the food prices index you will find that when control was there last, that is in the month of December 1947, the index price for cereals alone, which were being controlled by the Government, was 329. Then control was removed and again re-imposed. Now, in the month of January 1949 it is 478. The increase is 149 points. But, pulses which are not controlled have registered a fall in prices. Their index price has come down by 138 points; it stood at 583 in December 1947 and has come down to 445 in January 1949. So also in the case of other food articles. When the combined index of food articles shows only a rise of 64 points, the prices of cereals which are being controlled by Government show a rise of 149 points, that is 2½ times the general index I may tell you, Sir, how this is caused. Many people may be under the wrong impression that all this goes into the pockets of the producer, the tiller of the soil or the man who owns the land; it is not so. I shall give you some figures which will explain the position. Paddy is procured in the

District of my friend Mr. Wilson sitting next to me—Krishna District of Andhra Desh—at about Rs. 127 per cart load. It is sold in my District (Chingliput district), of course after converting it into rice, at Rs. 189. The difference is about Rs. 62 and, that is a difference of 48 per cent. This wide disparity between the procurement price and the retail price is the main reason and the breeding ground for blackmarket. I will rather go to the extent of saying that the Government does blackmarketing in its ration shops because the present disparity in prices enables both the consumer and the producer to make the transaction between themselves which will be profitable to both the parties. That is the position. But where does this difference of 48 or 50 per cent go? It goes mostly to the pockets of the middlemen, the whole sale dealer; whether he is a single individual or a co-operative society it does not make any difference. My friend Prof. Ranga may take exception to it but if he goes into details of the accounts of these producer-cum-consumer co-operative societies, he will find that they get not less than twenty-five per cent.

Prof. N. G. Ranga: But they have not mulcted it.

Shri O. V. Alagesan: Not only that, I shall tell you another fact which is startling. A maund of rice should be equivalent to 24½ measures and so a bag which contains generally 2 maunds of rice should contain 48½ measures. The Civil Supplies Department of Madras says that it would be enough if the wholesale dealer gave 46 measures for 2 maunds. They allow him to take 2½ measures of rice every bag. What does it mean? They say it is due to the Railwaymen—perhaps they accuse Mr. Santhanam for it— they say the railway men pilfer and so we have to make this margin. Sir, this is what a high-placed official told me and I cannot hide it here because I feel that this is a very serious question and a drastic remedy should be found for it in the very near future by the honourable the Food Minister and by the Government as a whole. It comes to this. You procure 4 measures of paddy from the producer. You should give at least 1-7/8th measures of rice to the consumer whereas you give only 1-3/8th measures to him; that is, one seer of rice is taken away from every man who purchases rice for one rupee and he has to pay a tax of 5½ annas in the rupee for this luxury of rationing being run by the Government. That shows the highest limit of inefficiency of the control organisation and of the distribution organisation of the Government and it requires thorough overhauling. The maximum margin that can be allowed need not be more than 15 per cent. That way you can bring down the prices of cereals by 25 per cent and the food price index will show an automatic fall by more than 40 or 50 points. When the government controls the prices, what is the use of the Finance Minister saying that we are fighting prices? You need not fight them, you can bring them down. Food is the biggest item of expenditure for the majority of our countrymen.

I believe this point will be borne in mind by the Food Minister and will be attended to at once because the other day while answering a supplementary question of mine, he said that the Central Government are responsible both for the wholesale and retail prices. I think the responsibility stops with just approving the prices put up by the Provincial Governments. The Central Government should do a little more scrutiny and see that the over all margin between the procurement price and the retail price at the other end never exceeds 15 per cent. That way you can bring down the prices. I should like to press this concrete suggestion for the attention of the Government.

Sir, I have a few more points which I shall make if you will permit me.

Mr. Deputy Speaker: I am afraid the honourable Member has had his time.

[Mr. Deputy Speaker]

I have got a list of nearly 32 speakers. I find that some of them whon I want to call them are not in their seats and others when I call them are not ready. That is what I find. To avoid any inconvenience to honourable Members I propose to call speakers in the following order so that they need not be taken by surprise: Mr. Barman, Shrimati Dakshyanámi Velayudhan, Mr. Kesava Rao, Shri Deshbandhu Gupta, Mr. Vijayavargiya, Mr. Siddhaveerappa, and if time permits Mr. Naziruddin Ahmad, for today.

Shri Deshbandhu Gupta (Delhi): Sir, I would like to take my chance tomorrow.

The Honourable Shri K. Santhanam (Minister of State for Railways and Transport): The convention is that no one who is called upon by the Speaker or Chairman may decline—if he does so it is a sort of disrespect to the House and the Speaker or the Chairman. I think this convention may be followed by all the Members.

Prof. N. G. Ranga: That is very important. There may be so many other Members who are really anxious to speak but wish to sit down for the convenience of other speakers. I think everyone of us must keep himself ready any moment the Speaker calls upon him to speak. The House is not supposed to be aware of any list.

Pandit Mukut Bihari Lal Bhargava (Ajmer-Merwara): Does the convention referred to by my honourable friend apply before the Speaker has actually called an honourable Member to speak?

Mr. Deputy Speaker: I am afraid honourable Members have misunderstood the position. I receive chits after chits and for my own convenience I have prepared a list of all the gentlemen who stand from time to time so that I may not lose sight of them. Therefore they need not be standing up and down every time. It is only for that purpose I have prepared a list. But when I begin to call the speakers, some of them are not in their seats. At other times I am calling they are not ready. It is not entirely their fault. They cannot be on the tip-toe expectation of being called all the hours of the day. Therefore they may say 'I may be called next'. It is not that they decline. Therefore for the convenience of the House, I do not want to spring a surprise on honourable Members who are really anxious to speak. Therefore, without taking any more time, I have prescribed this order for today. I will call other Members tomorrow. If it is the desire of the House that they must stand up as often as necessary until they catch my eye—I shall follow the other procedure. But until it is found inconvenient the procedure I have already suggested will be followed today. I call upon Mr. Barman.

Shri Upendranath Barman (West Bengal: General): Sir, previous speakers have spoken about the Budget and have criticised it in all possible ways. They have not left out even the slightest defect on the part of the Government that they have detected. But I suppose that the honourable the Finance Minister is not the only person responsible for all the ills that we find in our body politic today. If there is corruption in our system are we not responsible for it directly and indirectly? Is it not our responsibility to co-operate with the Government and also to devise constructive means and offer suggestions to the Government? And if after that Government fails to do that, then we who are part and parcel of the Government in an indirect way may legitimately accuse the Government.

I fully endorse one thing in that criticism, namely, about the proposal to raise the post-card and letter rates. It is a valid criticism why those whose letters and cards won't be carried by air should be asked to pay those rates. That is the unanimous opinion of this House and I hope the honourable the Finance Minister will consider it and reconsider the policy of raising the rates as prosposed in the Budget.

When we criticise our Government for their shortcomings here and there we should at the same time remember that only before this Budget session we were praising our Government that have done so many things. There were so many distresses and calamities heaped one upon another, and it is to the credit of our Government for having handled them successfully which any other Government might well imitate and might be proud of. They have averted all those calamities. Not only that. They have piloted the affairs of the State in a most praiseworthy manner. Therefore, when every day practically we were praising our leaders it is not fair to condemn the Budget in the way that we have done. We expect of course that with the advent of independence in this country, not only our leaders but we ourselves also should be conscious of the fact that the down-trodden masses who had been suffering so long from all sorts of tyranny and want should now get relief. We hope that after our calamities have passed away our leaders, assisted by us, would be able to divert their attention and pay full attention to the question as to how relief in all possible ways can be given to the masses. During the British rule all sorts of defects entered into our body politic. Our masses are illiterate, ill-clad, half-fed and they have no medical relief. These are the crying needs of the country today. Now that most of our ills and calamities are overpowered, our Government, assisted by us, should divert their attention to these matters.

[*At this stage Mr. Deputy Speaker vacated the Chair, which was then occupied by Shrimati G. Durgabai (one of the panel of Chairmen).*]

Within the few minutes allotted to me I shall mention only two facts. But before doing so I shall make one general observation regarding the food policy and the running of the Agriculture Department of the Government of India. Whenever any question about the amelioration of the masses is raised, it is said that it is the Provincial Government that are responsible. It is really so. And if our Provinces, or we ourselves, do desire to maintain provincial autonomy it is high time for us to be alive to our responsibilities. But this food problem is entirely a different matter—at least for the time being. It may be that it shall be the entire responsibility of the Provinces some years after when you have solved the food crisis. But during this critical time I think the Government of India should assume all the responsibility and all the authority over the whole of the country so that they can tackle this problem in the way they think fit.

In our New Constitution, so far as industries are concerned, we have adopted, or propose to adopt a provision that where the Central Government considers necessary, it should have the power to assume responsibility for the industries, irrespective of the power or responsibility of the provinces or states. My own view is that in Agriculture also this is a very essential provision at a time when the country is passing through a grave crisis, when we are actually begging for our daily bread from other countries and when we are wasting our foreign exchange resources on the import of vast quantities of food-supplies from foreign countries. All of us know that in the rural areas there are places where people cannot get even a square meal a day, even though they have the money to purchase it. This being the state of affairs, the Centre cannot absolve itself of its responsibilities by saying that Agriculture is a provincial subject. Whatever might be the future structure of our Constitution, the

[Shri Upendranath Barman]

Centre must immediately assume responsibility for Agriculture. Take for instance, the case of the United States of America. It is, perhaps, the most highly industrialised country in the world; but the Agricultural Budget of the U. S. A. is only next in importance to the Defence Budget, because food is the first and foremost necessity of any country. I am not for a moment trying to compare the Budget figures of the two countries. What I am aiming at is that adequate importance should be given for the development of Agriculture and that the Centre must take responsibility for it.

There is one aspect of agriculture for which the Centre has assumed responsibility—I mean scientific research. There are several agriculture research institutes. But, unfortunately, the fruits of the research are not carried to the peasant, with the result that these institutes serve no useful purpose. The agriculturist is now completely ignorant of what is happening in these institutes; consequently the 'Grow More Food' and similar campaigns have come to nought. Every year, every day, every second, the best part of our soil is being washed away. Out agriculturist does not know what is meant by soil conservation. Instead of preserving the available soil, we are trying to solve the problem, by importing more and more of ammonium sulphate and starting fertiliser factories. My humble submission, therefore, is that in every divisional town arrangement should be made for demonstration of soil survey and soil conservation. The agriculturist will then naturally be interested in growing more, thereby benefiting himself as well as the whole country. At present the Government of India have certain land reclamation schemes, but according to the confession of the honourable the Food Minister himself, hardly 5 per cent. of the agricultural land has been touched.

Another important reason why I feel that the Centre should take upon itself the responsibility for agriculture is that the provinces with their limited resources and multifarious problems that face them with the advent of freedom, are not able to look after agricultural problems properly.

As regards relief measures so far as West Bengal is concerned, my humble submission is that we are not satisfied with what has been done for the rehabilitation of refugees from East Bengal and the Centre should make more provision than it has done at present. We feel that the way in which the income-tax divisible pool has been distributed has not been fair to West Bengal.

Shrimati Dakshayani Velayudhan (Madras: General): Madam the Budget presented to the House by our able Finance Minister gives us the various aspects of our national economy in terms of the administration of the State. A new feature of this year's Budget is that it is free India's second Budget, for which we can naturally take some pride. I was a critic of last year's Budget in the sense that it showed a trend to pamper the rich at the expense of the poor. Looking from that angle this year's Budget is not in any way better. I must frankly express my feeling that I see no item of the Budget to improve the lot of the common man. The fault does not wholly lie either with the Finance Minister or even in the Government as constituted today. But the fault lies in the whole system which was transferred to us with the Transfer of Power. We have changed the bottle, but not the wine. It is the same old wine in a new bottle and it is for us to see whether there is any change in the wine as well.

India is in a state of transition and without the guidance of the Father of the Nation we are left to shoulder more responsibilities. If we do not bring out a new order on the basis of Mahatma Gandhi's precepts and practices India will have to face a violent revolution. This is my candid reading of

the atmosphere in which we are living today. There is every sign of a revolution from Assam to Amritsar and from Cape Comorin to Himachal Pradesh. We cannot ignore the facts and if we ignore the facts, we will be only following a negative attitude. How are we going to canalise the tempo of the people? I wish that the state should proclaim openly that India will organise a state on the basis of truth and non-violence. We have a psychological advantage in forging ahead in this line because we were following it in one way or the other in the past. I have no doubt that India will have to accept Gandhiji's creed not as a philosophy of life but as a philosophy of the state in the end. If we have foresight we can avoid the conflicts, the signs of which are seen in our neighbouring countries. Our ministers are proclaiming the ideal of Mahatma Gandhi in their day to day utterances. I want to see it practised not only by the Ministers but by the whole Government. The love that the people of the country show to the Father of the nation is spontaneous and this spontaneous outburst is due to their desire to have a peaceful and happy life. The common man does not exploit the name of Gandhiji either for position or for any personal intefests.

The real achievements of the Government in the last year can be measured only in terms of the satisfaction gained by the common man. Many schemes, including the one on insurance, were passed in the legislature and they are lying in the files of the secretariat and no actual work has been commenced. Lakhs of villages in India have not been affected in any way by the achievement of our freedom. They know more about Gandhiji than our Government or the working of it. They have more admiration and attraction for the personality of our Prime Minister than for his Government. They are all on the wake up and alertness is seen everywhere.

The high cost of living for which the common man is not responsible has given him a shake up in his attitude. He is ill clad, he is ill-fed and nothing more is done for his educaton or health. We cannot call any government a good government if it is not going to improve the conditions of the common man and in this direction nothing has been done. Our ministers are going here and there for ceremonial functions and speeches. They speak many things, more irrelevant than relevant. This has become the common talk of the intelligentsia of this country. A minister goes to Bombay and speaks about the budget for 1949-50. This gives to a lot of writing and counter-writing in the papers. Another minister goes to a meeting sponsored by the R. S. S. and thereafter goes to a Congress meeting and addresses them on nonviolence. Yet another minister says that in ten years he will introduce socialism in the country, whereas the Government has said that they are not going to do anything of that kind. The Government has declared their policy that they are not going to nationalise any of the industries in the near future. The same Minister has said that labour should be loyal and humble as he is. Even in small things the ministers interfere and the working of the secretariat has been made a bungling affair. To get a reserved seat in a train from Wardha to Delhi one will have to put through a trunk call to the Premier of the province.. Is it not fun if ministers are going to issue chits for reservation like booking clerks issuing tickets for the passengers? A minister had the audacity to speak at a public meeting that ministers are open to corruption and bribery because the people give it.

There is noticed in circles that support the Government a spirit of violence. It is spreading into the vitals of our national life and if the situation goes on I fear of great danger to the future. Newspapers and the press try to make the people believe that the R. S. S. movement has fizzled out, but those who know the truth will say that it is still a strong fascist organisation which has got support in influential quarters both inside and outside the Government.

[Shrimati Dakshayani Velayudhan]

Government should set an example to develop the national character which we have inherited from the Father of the nation. When there is discipline and national character at the top the people will follow it. The intelligentsia in the country have taken to think that dishonesty has taken the place of honesty.

Coming to the budget proper the *status quo* of the Imperial bureaucratic government is continued. Look at the manner in which the Finance Minister has tried to balance the budget. He has done it by taxing the poor and coaxing the rich industrialists and businessmen. Who are the greatest enemies of this country. Who are the enemies of this country? Are they the Communists or the much dreaded socialists or the workers who strike? Who are the enemies of this country, if not the industrialists or the businessmen who hoard all the money that they have without doing any benefit to the country? In my opinion they are the greatest enemies of the country and the Government, because they are not extending a helping hand to the Government and in my opinion the industrialists and the capitalists have succeeded in bringing the Government kneeling at their feet. Did not the first Finance Minister make many concessions to the capitalists in his first budget? In his speech he said that these measure would bring confidence into the capitalists and industrialists which were shattered by the Liaquat Ali Budget by its taxation proposals. Still they did not try to help the Government. They did not shed their fear complex and come forward to help the Government in their production drive. Why should they still insist on getting more and more help from the Government? They are today trying to get the same amount of profit which they were making during the war time. Madam, they are not the type of people who have got the interest of the country at heart. They are all hoarding money and that by sucking the life-blood of the nation and leaving the Government and the people half dead. They are not at all satisfied and they will never be satisfied whatever concessions Government may give them. They had amassed wealth like anything during the war time and if it is taxed it is only to build up the economy of a new infant state. To leave the progress of the country into the hands of the industrialists will be the greatest blunder that the Government is doing today. To hope to raise the standard of life of the people with the help of the industrialists and the capitalists will be like entrusting the lamb to the wolf. I shall just cite one instance to show how the industrialist is giving too much trouble to the people. Take the case of sugar. That industry is a protected industry and people are left at the mercy of the industry by the Government and now the industry has begun to say that it is not the industrialist that needs protection but the Minister for Agriculture who needs protection. That is how they have brought their demand. The introduction of the duty on sugar will aggravate matters. Sugar is not a thing of luxury: it is an essential commodity and it is most essential for children. Some economists say that money has passed from the hands of the industrialists and capitalists to the people in the rural parts, *viz*, the agriculturists. It is a fact that money has gone to the hands of the agriculturists but it is wrong to identify the agriculturists with the poor workers in the field. The economists blame that the poor people are not in the habit of putting money in the bank. They have got their own indigenous method of saving money. If they are not going to the bank to deposit money it is because they have nothing to deposit in the bank. If you want to see the truth of this statement, go to the villages. We can see there people who even sell their ration to get a meal for the day.

4P. M.

I am glad that the honourable the Finance Minister has made provision in the Budget for opening a new radio station in Malabar and also that he has imposed a duty on liquor which I advocated last year.

श्री शान्तनु कुमार दास : अध्यक्ष महोदय, हमारे अर्थ मंत्री ने जो बजट पेश किया है, उसको देखने से ही यह मालूम पड़ता है कि यह बजट भारतीय जनता का बजट नहीं है। साधारण जनता का बजट नहीं वह बजट पूंजीपतियों और उद्योगपतियों का है। इस बजट की क़ीमत जनता नहीं समझती है। जनता को यह एतराज़ होता है कि चीज़ें महंगी न पहुंचें। वह चाहती है कि किसी तरह चीज़ें सस्ती उन तक पहुंचें। बजट घाटे का है या बचत का है जनता इस बात में फ़िक्र नहीं करती।

चीज़ों में कर बढ़ रहा है, करों की वृद्धि होती रहेगी। लेकिन मैं इसके बारे में कुछ कहना नहीं चाहता। क्योंकि कल से आज तक सदस्यों ने इसके बारे में बहुत कुछ कहा है। पोस्टकार्ड, लिफ़ाफ़ा और शक्कर आदि चीज़ों पर कर की वृद्धि होती है। मैं पोस्टकार्ड के बारे में एक बात कहना चाहता हूं कि पोस्टकार्ड की क़ीमत बहुत आन्दोलन के बाद दो पैसे का हुआ था। हमारी सरकार के समय में जो सुविधा दी गई थी उसको छीन लिया गया, और हमारे अर्थमंत्री ने पूंजीपतियों और उद्योगपतियों को तीन करोड़ की राहत दी है। केपिटल टैक्स पूरा माफ कर दिया। सुपर टैक्स में उल्लेखनीय कमी की है। पिछले बजट में पूंजीपति बढ़े हुए करों की शिकायत करते थे। उनका यह कहना था कि सरकार जब मदद नहीं देती तो पूंजीपति तिजोरी से रुपया नहीं निकालेंगे, और नये पुराने जो धन्धे हैं उनका विकाश नहीं हो सकेगा। हालांकि सरकार ने पिछले बजट में इस किस्म की राहत दी है, लेकिन इसका खास नतीजा क्या हुआ, कुछ नहीं। हमारे अर्थ मंत्री ने इस विषय को जानते हुए भी कैसे यह राहत दी है। मैं एक बात कहना चाहता हूं। हमारे देश में खाद्य की परिस्थिति संकटापन्न है। खाद्यमंत्री की आवाज़ कोने कोने में गूंज रही है, लेकिन इसका नतीजा कुछ नहीं हुआ है। गल्ती कहां है। मैं समझता हूं कि 'ग्रो मोर फूड डिपार्टमेन्ट' में जो अफसर लोग रहते हैं वह कृषि के बारे में कुछ नहीं जानते हैं। कालेजों से पढ़ कर जो युवक आते हैं और युद्ध से फिर कर जो युवक आते हैं वह इस डिपार्टमेन्ट में घुस जाते हैं। कृषि के बारे में वे कुछ जानते ही नहीं। मैं यह अदब से अर्ज़ करता हूं कि जो भी लोग इस डिपार्टमेन्ट में आते हैं वह कृषि के बारे में जानकारी रखें तो आप देखेंगे कि फिर से पैदावार ज्यादा हो जायगी। और सब के मुंह में हंसी की लहर दौड़ जायगी।

मैं एक और बात कहना चाहता हूं कि अर्थमंत्री ने प्राकृतिक दुर्घटनाओं का ज़िक्र करते हुए कहा कि प्राकृतिक दुर्घटनायें हमारे देश में बढ़ती जाती हैं। पिछले वर्ष से बिहार में बाढ़ हुई, गजुरात में अकाल, बम्बई, में

[श्री शान्तनु कुमार दास]

साइक्लोन और मदरास और बंगाल में आंशिक अकाल हुआ है। यह दुर्घटानायें तो जरूर होती रहीं और होती ही रहेंगी। इस लिये मैं कहना चाहता हूं कि प्राकृतिक दुर्घटनायें के सिवा और भी कुछ अप्राकृतिक दुर्घटनायें होती रहती हैं। यह होता है कि रेल्वे हड़ताल, मिलों में हड़ताल, और डाक तार की हड़ताल तो रोज की चीजें हो गई हैं। यह हड़तालें जब सरकार के कब्जे में आजायंगी तो सरकार को सुख मिल सकेगा। मैं इसी लिये कहता हूं कि चीन और बरमा का सबक हमारे सामने है। जब हम लोग गांव गांव में काटेज इन्डस्ट्री का विकास करेंगे तभी हम अभाव को कम कर सकेंगे। आज प्रान्त में जहां ज्यादा मिलें नहीं ज्यादा कारखाने नहीं वहां काटेज इन्डस्ट्री बढ़ाने के लिये हमारी सरकार कोशिश करे। मैं जानता हूं कि उड़ीसा में बहुत गरीबी है। काटेज इन्डस्ट्री के बारे में उड़ीसा के लोग काफी अच्छी तरह जानते हैं। काम जानते हैं। जब उड़ीसा में काटेज इन्डस्ट्री शुरू करने के लिये हमारी केन्द्रीय सरकार मदद देगी तभी अच्छा होगा। उड़ीसा में चिलीका नामक एक, (Lake) है। हंटर साहब ने एक रिपोर्ट में लिखा है कि यहां पुराने जमाने में ज्यादा साल्ट होता था। यू० पी० और बिहार में उड़ीसा साल्ट सप्लाई करता था। अगर अब यह आमदनी बन्द होती है तो कैसे काम चलेगा। इस लिये मैं बड़े अदब से अर्ज करता हूं कि यह साल्ट इन्डस्ट्री उड़ीसा में किसी तरह बढ़ाई जाय। उड़ीसा समुद्र के किनारे है उड़ीसा में दो बन्दरगाह हैं। गोपालपुर और चांदवाली। पुराने जमाने में वाणिज्य अच्छी तरह चलता था उड़ीसा की बदकिस्मती से वह वाणिज्य बन्द हो गया है। मैं केन्द्रीय सरकार से बड़े अदब से यह अर्ज करता हूं कि कैसे इसका जल्दी इन्तजाम किया जाय।

मुझे यह खेद है कि हमारी सरकार का खर्च अर्थमंत्री ने नहीं कमी कर दी है क्योंकि इसके लिये उन्होंने यत्न नहीं किया। और मैं कहना चाहता हूं कि हमारी सरकार में जो बड़े आफिस होल्डर हैं उनको तीन हजार से ज्यादा तनखाह नहीं लेनी चाहिए। जो तीन हजार से ज्यादा तनखाह पाते हैं उनके हाउस को मेनटेन करने पर ज्यादा खर्च हो जाता है। मैं कहता हूं कि राजाजी ने एक दफा कहा था कि मैं गवर्नमेंट हाउस में रहता हूं तो जब मेरे मेहमान आ जाते हैं तो बाहर निकलने के लिए राह नहीं पाते हैं। उनकी यह इच्छा है कि जैसे हमारे पंडित जी और सरदार साहब रहते हैं उसी तरह उनके रहने का प्रबन्ध हो जाय। मैं चाहता हूं कि उनको उसी तरह रहने के लिए हमारी सरकार प्रबन्ध करे तो अच्छा होगा। कुछ खर्च की भी कमी हो जायेगी।

म. यह कहकर अपने वक्तव्य को खत्म करता हूं और उसके साथ साथ में यह कहना चाहता हूं कि मैं इस बजट को पसन्द करता हूं, पर हार्दिक समर्थन नहीं देता क्योंकि जनता उसका स्वागत नहीं करती है।

(*English translation of the above speech*)

Shri Santanu Kumar Das (Orissa: General): By merely looking at the Budget presented by our Finance Minister one finds that this is not a budget of the Indian people. It is not the budget of the common people. It is the Budget of capitalists and industrialists. The value of this Budget is not appraised by the people. The people raise the plea that commodities should not come dear to them. They want that somehow commodities should become available to them at cheap prices. The people do not worry about the fact whether the Budget shows a deficit or a surplus.

Tax on commodities is increasing; taxes will go on increasing. But, I do not want to say anything about it because yesterday and today the members have said a great deal. The prices of post cards and envelopes are raised and tax is increased on commodities like sugar. I want to say something with regard to the post-card. The price of the post-card was brought down to two pice after a good deal of agitation. The relief that had been granted has been withdrawn during the rule of our Government, and our Finance Minister has provided a relief of three crores to our capitalists and industrialists. The capital tax has been wholly remitted. Considerable reduction has been made in the super-tax. In regard to the last Budget the capitalists complained about the increased taxes. It was said by them that, when the Government was not prepared to help, the capitalists would not loosen their purse strings, with the result that the new and old industries would not be developed. Although relief of that kind was granted by the Government under the previous Budget, what special results were achieved thereby? Nothing. How has our Finance Minister granted this relief even when he was aware of this position? I wish to say one thing. The food situation in our country is distressing. The voice of the Food Minister is ringing in every part of the country but this has not yielded any results. Where does the fault lie? I feel that the officers of the Grow More Food Department do not know anything about agriculture. Youngmen fresh from colleges and others returned from war service forge their way into this Department. They simply know nothing about agriculture. I respectfully submit that if the people who enter this Department possess knowledge of agriculture you will see that production would increase once again and there would be smiles on every face.

I want to say something else. While talking of natural calamities the Finance Minister said that natural calamities were on the increase in our country. During the last year there occurred floods in Bihar, a famine in Gujrat, a cyclone in Bombay and partial famine in Madras and Bengal. These calamities have no doubt been occurring and will keep occurring. What I want to say is this that besides natural calamities there are also some unnatural calamities which keep occurring. A strike in the railways, a srtike in the mills and a strike in the posts and telegraphs have become things of daily occurrence. The Government will be able to find some respite when they will have acquired some control over these strikes. Hence, I say that the lessons of China and Burma are before us. We would be able to remove scarcity only when we start cottage industries in every village. Our Government should make efforts to develop cottage industries in that province which does not at present possess enough mills and factories. I know what great poverty there is in Orissa.

[Shri Santanu Kumar Das]

The people of Orissa know a great deal about cottage industry. They know how to work. It will be good only when our Central Government renders help in starting cottage industry in Orissa. There is a lake in Orissa called Chilka. It is mentioned in a report by Mr. Hunter that more salt was produced there in the old times and that Orissa used to supply salt to U. P. and Bihar. How will it be possible to carry on now if this income stops? Hence, I submit very respectfully that this salt industry in Orissa should be developed somehow. Orissa is situated on seashore. It has two ports, Gopalpur and Chandwali. Commerce flourished here in the old days. To the misfortune of Orissa that commerce has ceased. I very respectfully appeal to the Central Government that something should be done in this behalf at an early date.

It grieves me that the Finance Minister has effected no reduction in the expenditure of our Government—he has not endeavoured to do so. I wish to say that the helders of high office in our Government should not receive a salary exceeding three thousand. It costs even more to maintain the houses of those who are in receipt of more than three thousand as salary. Rajaji once remarked, "I live in the Government House, but the guests who visit my house are unable to find the way out. It is his desire that similar arrangements might be made for his residence as exist for the residence of our Panditji and Sardar Sahib. I think that it would be good if our Government could make similar arrangements for his residence. This would also effect some reduction in expenditure.

With this I close my speech. I wish to say incidentally that I like this budget but I do not give it a hearty support because the people have not hailed it well.

Shri V. C. Kesava Rao (Madras: General): This is the second budget after India got independence. All these years, the common man has been thinking that he will be happy when we get full Swaraj; but I am surprised to find that the budget aims at giving relief to the richer man but not to the poor man. I don't know why the super tax on the capitalist has been reduced. It is a wonder to me why the Finance Minister is going to help those tax payers who have made crores of rupees profits during the war, about whom, even the Finance Minister cannot say that they have paid their taxes. Even the expenditure incurred on the Income-tax Investigation Commission has not been realised. I am sorry to find that there is not even a single scheme which would help the common man. The common man wants a house to live in, cloth to wear and food to eat. We, Congress people, have been telling them for more than half a century that they will be happy when independence is attained; but we have now framed a budget for the rich man, and not for the common man.

Speaking about the defence expenditure I am sorry to say that before the war, the defence expenditure was 47 crores whereas now it has gone up to 157 crores. I do not know whether we are aiming at any war. Naturally, last year there was expenditure due to the Kashmir operations. This year, I do not think that there is anything which we can expect. Such being the case, I do not know why we are spending such a large amount as 157 crores for our defence forces. Even during the war, we Congress people have been criticising the British Ministers for spending a lot of money for defence. Another point, I would like to point out in this connection, is that our military is not so efficient as it ought to be. Now, promotions in the military are so rapid. A man who is not even thirty years old has become a Colonel and a Brigadier. I do not think in a country there is a Colonel or a Brigadier who is less than forty-five years of age.

Pandit Thakur Das Bhargava: Should we get the Britishers again here?

Shri R. K. Sidhva: We have got an efficient army.

Shri V. C. Kesava Rao: Comparing any country, the United States of America or the United Kingdom, there is no country where people have attained this rank before forty-five years of age.

Prof. N. G. Ranga: That is not a good thing.

Shri V. C. Kesava Rao: Especially in the military, I think, experience is more necessary than anything else.

Another point I would like to point out is that there is no provision in the budget for observing economy. The Central Pay Commission had suggested not to give any dearness allowance to people getting more than Rs. 1,000. But, the Central Government is not prepared to reduce the dearness allowances for its highly paid officers. Even officers getting Rs. 3,000 are allowed to draw dearness allowances. In this connection, I would like to state that one-third of the postal officers have gone to Pakistan. Even though we ought to have only three fourths of the prepartition number, the number of the officers have increased considerably well beyond this mark and the expenditure has automatically gone up. I want to point out that we are going to establish many Embassies in many foreign countries. As a measure of economy, I say that we should not establish any more Embassies and we should even go to the extent of reducing the staff in the present Embassies.

Then every Ministry has got lump sum grants for miscellaneous expenditure. In every Ministry there is provision for all kinds of expenditure and this miscellaneous expenditure is at the discretion of the Officers to spend in whatever way they liked. If we cut down this miscellaneous expenditure, we will be able to save some money.

The Retrenchment Committee's work has become a farce. They have recommended for retrenchment of officers who were recruited during the war. Till now no Ministry is prepared to retrench even one officer. I understand in the C.P.W.D. one clerk getting 60/- was retrenched. Had they have only one to retrench from the staff? If the proposals of the Economy Committee and the Retrenchment Committee are put into practice, I think we can save a lot of money and by that the inflation may be curtailed.

We have been spending lot of money for imports of foodgrains and last year we spent 190 crores and this year we are going to spend more and I think if we spend a few crores or even a few lakhs for improving our fertilizers or our natural manure like cow dung etc. I think we will be able to produce more. A farmer who wants to produce more is not able to get fertilizers or manure. I wish the honourable Food Minister will spend some money in providing these manures to the farmers. To curtail this expenditure on food some money should be spent on developing the fish industry. We have vast coastlines. If we develop the industry, we can supplement food with fish to a larger extent. I wish that a portion of this money spent for purchasing grains from other countries may be diverted to the development of this industry.

Shri H. Siddaveerappa (Mysore State): Madam, the measuring rod by which we have to see whether this Budget is a Budget for the good of the common man is to see the amount of good it does to the common man. I don't wish to enter into the details as to how far the Budget will help to improve the economic good of the common man. I wish to touch only the general lines regarding that. If you bear in mind that in this country 70 per cent of the people live in villages and most of them—if not all—are agriculturists, you will have to see how far this Budget helps to improve the common man. In the first instance I would like to thank the Government for having helped the agriculturists by increasing the import duty on betelnut and I find that this is the only redeeming feature so far as the indigenous grower is concerned in this Budget. Regarding other points as to how it has become the burden on the common man we will have to say, taken as a whole, this budget is not so bad as is depicted to be and I would like to touch upon one or two points regarding agriculture. We have been seeing that ever since the war there is a chronic disease of food shortage. If we take the period in which we had an economic depression, I think in the years 1930 to 1935 we found that agricultural economy was the worst affected. Nobody ever cared to see whether the crop the farmer produced was sufficient to meet his cost of production. Many stuck to agriculture because they had no other vocation. It is only during the war that this question of food loomed so large with the result that even to-day we are still in the same circle. It baffles the Government. Every year we find that at a time when we want our dollar resources for purchasing capital goods, we are spending enormous amounts for importing our food products. How is it in an agricultural country we are reduced to the pitiable position? You will have to say at least here is a time when we will have to consider our economy in a different way and find out whether in a given time it is not possible for us to see that we are made self-sufficient within a minimum period regarding food. Taken from that standard, in a budget wherein we see that the expenditure estimated is to the tune of about 322 crores and odd, what do we find so far as agriculture is concerned? For the Ministry of Agriculture and Food we see that barely a sum of 80 lakhs has been allotted in this budget. Is it sufficient I would ask. The other day when we had a full-dress debate on Food, the honourable Minister for Food was pleased to tell us that in other countries agriculture is given a proper yard and we find that in America a good deal of money is spent. What are we doing in this country? Have the Government in view any reorientation of policy to see that agriculture is taken as a paying industry and agriculture is encouraged by all means possible by importing machinery, necessary agricultural manure and other goods? The present subsidy does not reach all the cent percent of population. In this country at no time cent percent of the population were on the ration basis. I think only about 5 per cent—mostly townsmen—were under the ration and we should consider that agriculturist, in spite of all his difficulties, was the man who fed the entire population. Most of the people could not be fed on the rationed article. What is it that the Government have done with a view to improve his lot or with a view to importing foreign machinery. We find Governments of other countries have been encouraging starting of several industries for the manufacture of agricultural implements. But here we don't seem to be doing anything to increase the output of fertilizers. It is but natural that we will have to think of this problem and reorientate our policy with a view to seeing that in the minimum period we get the food crops produced in our own country alone and that we are made self-sufficient in food. An honourable member said that surplus money has flown into the rural Parts. I do not believe that the surplus money has ever entered the villages. If the Government want to convince themselves of it, let them start an enquiry and find out what was the agricultural indebtedness before the war and what is the present agricultural

indebtedness. Unfortunately in our country there are no banks who would advance money to the agriculturists. Recently we had to go through a banking Bill which was mostly a bankers' Bill, for about eight or ten days. These banks never lend any money to the agriculturists. Under these circumstances I do believe that if at all there is any class in this country—and they form a majority—who were the most hard hit during the war, it is the agriculturists class. They never had any opportunity to make money by easy methods like permits or any other method. They had to till the soil and raise their crops by the sweat of their brow. They are the persons who were most hard hit, and it is high time that the Government formulated a proper policy with regard to food crops, for the next three or five years. Let them not be left in the lurch, as they were left during the days of depression, when the agriculturists were reduced to such hopeless straits that many of them had even to sell their cattle in order to meet the bare necessities of life.

The next point I want to touch upon is about reduction in governmental expenditure. Before we think of imposing indirect taxes to the extent of about Rs. 14 crores, we must consider the question of rigid economy in all our governmental expenditures. I have with me the figures from 1988 to 1947—for undivided India. In 1988-39, the total figure for governmental expenditure was about Rs. 10,90,00,000. In 1946-47, the figure was Rs. 35,00,00,000, and coming to the present year, 1948-49, it is as much as Rs. 48.14 crores per year. I would request the honourable the Finance Minister to find out whether this poor country is capable of bearing this burden, this unduly heavy burden. In this whole budget of three hundred and odd crores of rupees, the encouragement given to agriculturists amounts to only about eighty lakhs. Of course, I may be told that agriculture is a provincial concern. But the Government of India has undertaken to see that this country is self-sufficient in the matter of food. Therefore, it is absolutely essential that before the financial year runs out, some drastic economies are visibly shown in the budget, with a view to increase the confidence of the country.

With regard to food prices, I would like to say just a few words. We find whenever we ask the Provinces or States about this subject, we are told that it is a Central subject. But we find that in the different places there is not even uniformity with regard to food prices. Between Bombay and the Mysore border, for instance, within about a distance of five miles there is great disparity in the price. Food is sold at a higher price in Bombay and at a lower rate in Mysore border. The result is that smuggling is encouraged. Therefore I would request the Government to see that some sort of uniformity in prices, at least in the border areas is brought about.

Sreematty Annie Mascarene (Travancore State): Madam, it is my peculiar privilege to speak when a lady is presiding. Hitherto, we have been hearing discussion on the Budget, and the Finance Minister there, bearing the brunt of the blows was a pitiable sight to see. I wish to paint another picture. The Finance Minister's speech is an economic survey of public finance and expenditure of free India which is just a year and a half old. The aftermath of the war, the unsettled political and economic conditions having their repercussions in the East and the Middle-East, have culminated in the presentation of a deficit budget, the deficit being to the extent of Rs. 14 crores. Some people state, feeling perhaps the pulse of the nation, that millions have waited with throbbing hearts for the promises of the Finance Minister for the future, and fell back in despair when they were told that they had to pay more for sugar, postage and more for cloth. Others state that this is a capitalist budget, and industrialists beamed with a smile when they were told that there is a reduction of super-tax and income-tax, and the capital gains tax is abolished altogether. But I, as a student of history and politics, take an altogether

[Sreematty Annie Mascarene]

different view. I take this opportunity to congratulate the honourable the Finance Minister for the consummate skill with which he has steered the economic destiny of this young nation, through perilous times. If such a budget had been presented in normal times it would have been scandalous, and scandalous to a professor of economics, and to a nation with such resources and reputation. But we are living under very different conditions. We are living under peculiar circumstances, in a transitional stage, when the last drama—the peroration of the Imperial drama dropped its curtain, and the preamble of the national government entered the arena with a flourish of communal conflicts, when the last stroke of British diplomacy dealt a fatal blow to *Bharat Mata* resulting in a vivisection and the disastrous consequences resulting from it, in death, dishonour, and damnation, driving us to the deepest depths of degradation, and defiling the fair name of the nation. It is under such circumstances the national leaders of the Congress have undertaken the reins of Government to shape the destiny of this young nation—nay, to sway the rod of an Empire. At this juncture the country stood just on the verge of economic crisis. The capitalists who stood by the agitators expected the agitators to become administrators; the labour which organised itself ever since the national government took up the reins of administration also expected very many things to happen and organised itself as a challenge to the capitalists. Placed between the devil and the deep sea, the leaders of the nation had to shape the destiny of this State with great difficulty. They had to deal with distempered Kashmir, disorganized Hyderabad and to provide for food, clothing and shelter to lakhs and lakhs of refugees rendered homeless by the vivisection of India. Under these circumstances I ask, Madam, whether any administrator however great his genius may be could have devised a Budget much better than this. The present need of the nation is to establish democracy on a sound basis. The present need of the nation is to feed the people, to clothe them and to produce as much of consumer goods as are required just now. Who are the agents of production in India today? Has the nation, I ask, the capacity to nationalise all its industries at one stroke? In that case this Budget is not suitable. As we have had only eighteen months before us we had time only to muster our strength together and lay the foundations of future democracy. Under these circumstances it is but natural to look to the capitalist to give as much of production as is required by the nation. But the capitalist, fearing the several 'isms' facing him and fearing the prospects of his capital, had gone underground. The only magic which could bring him out is the magic of abolishing the Capital Gains Tax and reducing the Income-tax and the Super-tax. We need not think that this is going to be for ever the condition in India. No, the present demand must be satisfied; the life of the nation should be maintained and nurtured so that a better life and a better democracy can be shaped hereafter. If the Budget is a desperate one I wish to invite the attention of the House to the desparate character of democracy. Democracy as a form of government never thrived for long in any country in the world. Democracy has been a difficult political form of government. It could not transcend the walls of the city of Greece without half slavery; it could not remain in Rome for long without converting itself into Imperial autocracy. For 1800 years democracy disappeared from the world till it appeared in the Magna Charta, nurtured by Edward I, Rym. Hampden and culminated in 1688 under the Glorious Revolution, reformed itself in 1832 and perfected itself in 1917 with the women's suffrage. That was the history of democracy in England. The history of democracy in America took 150 years and Lincoln 4 years and a million lives to give it the present shape. The history of democracy in other countries was just the same. After the lurid display of revolution in France it disappeared for a time and came back only in 1878. In China in 1911 there was democracy established,

but where is China today? We have to take the lessons and the experience of democracy in other countries before we can establish democracy in our own State which is three times as big as the United States of America and half the size of Europe. Today the administrators, the leaders of the people at the helm of the government, are trying to shape the democracy of India for the time to come, in this transitional period. At this juncture no amount of imagination or political philosophy can help them than to make the best of what the time can afford and build on it the later perfection of democracy. Therefore, if the Budget at the present time looks a bit desperate you cannot help it. The nation has paid heavily for the freedom of India. The nation has to pay still more for the establishment of democracy. Every citizen has to pay for establishing that form of government which has been found from political experience to be the best form of government—the government of the people by the people for the people. Hence I think that the Budget as framed by the Finance Minister is a Budget that was forced upon him by the force of circumstances. If this nation has to be led hereafter, if the administration is to be run on a sounder basis hereafter, this timely budget, this Budget for this year, is necessary and I take this opportunity to congratulate the Finance Minister again.

The destiny of the future is not in our hands. It is true that the proposals in the Budget in respect of postage rates and the sugar tax etc. are the most unkind cuts of all. But we have to remember that every citizen has to pay for his privileges. And who knows what the future is? We are faced with so many difficulties. Time will prove where we are. Many a secret lie hidden in the womb of time like many a gem in the caverns of the sea.

Shri Harihar Nath Shastri (U. P.: General): Madam, the honourable lady member who has just preceded me has paid eloquent tributes to the honourable the Finance Minister. I do not propose to criticise the various points made out by her. I wish that the honourable Minister should have this much satisfaction that he has got at least one member, and that too of the fair sex, who has supported him. There was another honourable member who unfortunately is not present in the House just now who sits by my side—I mean Shri Ramalingam Chettiyar—who remarked yesterday that the honourable the Finance Minister had earned the applause and congratulations of the various Chambers of Commerce in this country. That may be a matter of jubilation for the honourable Minister but let me frankly state that I cannot congratulate him, nor can he expect congratulations from the class of people whom I represent. It has been stated in the course of the various speeches delivered yesterday as well as today that there is no departure in this Budget from that of the previous year's budget. I must say that it was a profound shock and disappointment to me inasmuch as Dr. Matthai has had the reputation of being an economist of progressive, or shall I say, socialistic ideas inspite of his close and long association with the Tatas. I think he said in the course of his Budget speech that the principal motive behind his budget proposals was that he wanted to check or arrest inflation by giving numerous reliefs to the Industrialist. If it were possible, I would have congratulated him, but I must express my grave doubts over his hopes. Today I feel that the profit motive is ruling supreme in the minds of the capitalists of this country and as long as this profit motive lasts there is no likelihood of inflation being checked. I regret that the Budget that has been presented before this House is calculated to accentuate the profit motive and my humble submission is that it is a wrong policy to try to step up production by appealing to the narrow selfish instincts of the capitalist class. And if you persist in doing so there is no justification on your part to appeal to the patriotism of the masses and their high sense of duty. The common man of this country has made great sacrifices in the cause, of the community and it is because of him that you are here and we of course are also here. But let it be clearly understood that

[Shri Harihar Nath Shastri]

the common man of this country will resolutely refuse to make sacrifices in the interests of a handful of men who have thrived on the exploitation of the masses. Even today he is capable of making sacrifices and to put up with hardships if those sacrifices and hardships are meant to advance the interests of the community as a whole and the sufferings are shared by every class of the people.

The honourable the Finance Minister has consoled himself by the assertion that even in other parts of the world conditions are disturbed and progress towards recovery from the ravages of war is slow. Yes, Madam, it is true. It was only about six or seven months back that I had an opportunity of visiting the European countries, in the course of which I was in England for about ten days. The people in England even today are living on austerity diet; they are passing through very hard times. But there is one factor that must not be lost sight of. The sufferings are common to every section of the community. The same quantity of restricted sugar, the same number of cigarettes, the same restricted number of one egg per week are available to a worker in a factory as well as to a mill magnate and that too at a price which is within his easy reach.

Shri B. Das: But black-marketing exists even in England and Russia.

Shri Harihar Nath Shastri: In England black marketing is not even-one-tenth as rampant as it is in this country. Today the prices in England are hardly twenty-five per cent above the pre-war level and wages have gone up by about fifty per cent. On the contrary, what is the position today in our country? You introduced rationing, nay, your predecessors, the Britishers, introduced rationing. Swayed by sentiments on the one hand and influenced by vigorous propaganda by interested capitalist classes on the other you gave up the control policy, with the result that prices have shot up in the course of the last six or seven months by about 80 points. The mistake was realised when it was too late to mend it and even now I regret to say that no planned policy is being pursued. In fact, planning is lacking in the whole of our economic policy.

Now, let me submit for your consideration and that of the House two or three salient points that still remain to be dealt with. The one question which of course has been dealt with in great detail is the food problem and various honourable Members have explained the gravity of the situation in this country as a result of food scarcity. It is really a matter of grave anxiety that at the present moment about Rs. 30 to 32 crores are spent on subsidies. A few days back, when unfortunately I was not present in the House, there was the debate on the food problem and the honourable the Food Minister was subjected to a lot of criticism. May I make my own observations on that question? I personally feel that if you put in this office a Food Minister who is a hundred times more qualified person (I know there is none more qualified than the present Minister), if you put in a person who in your estimation is a hundred times more qualified, you cannot solve the food problems of this country by a mere Grow More Food Campaign or some such devices. In my opinion the root cause of the food scarcity and the root cause as to why the food problem in this country is not being solved is that planning is needed in regard to agriculture. What I mean by planning is that it is necessary that you rationalise the production of food and its distribution and that rationalisation in production and distribution is possible only if you tackle the basic problem of the abolition of landlordism in this country. It was

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about two or three years ago when the Congress came into power in various provinces that the question was taken up and in some of the provinces legislation was also passed and in others it is on the verge of being passed, but that is not yet put on the statute book. I understand that there are certain difficulties and hindrances which I need not go into. But I must submit that unless you tackle and that too speedily the question of the abolition of landlordism you cannot satisfactorily and on a lasting basis solve the food problem of this country. If you do that, you will pave the way for cooperative farming, a system in which the peasants shall have full right on the soil and at the same time there will be more produce and the produce can be pooled together and utilised without any chance of hoarding or profiteering for the good of the entire community.

The other point which I would like to finish in the five minutes which you, Madam, has kindly allowed me is in regard to industrial expansion of this country. The other day our great leader, the Deputy Prime Minister in the course of his speech in Madras deprecated loose talks about nationalisation. I am in complete agreement with him and I need not go into the reasons why nationalisation is not feasible much though one may like it at the present moment. But I do make a difference between nationalisation and control. The other day my friend Mr. Ramalingam Chettiar said that there was no difference between control of capitalism and nationalisation. I should like to observe that control is the method through which on the one hand capitalism can have a lease of life in this country and on the other hand the interests of the community also can be guaranteed. So it is necessary that controls should be introduced and that too in a rational manner. The wartime drama must not be repeated now. During that period, as the House is aware, the community made tremendous sacrifices and at its cost the capitalists made enormous profits. There is no time to cite instances, though I have many but I would just in one minute cite the instance of the iron and steel industry, with which my honourable friend the Finance Minister has been connected for a number of years. When iron and steel were controlled during the war this industry was selling defective materials and cuttings of iron and steel at three or four times the price of first class material and was making huge profits on that account. On the other hand articles manufactured from such materials which were of daily use to the common man were sold as they are being sold now at exorbitant prices. This state of affairs must be put an end to. Production, management and profits and distribution must be regulated by the state in the larger interests of the community. Only such commodities should be allowed to be produced that will primarily fulfil the necessities of life of the common man. As for management the time has come when I say, in spite of what was observed the other day by Mr. Ramalingam Chettiar, that the Government should revise its attitude and take a definite decision in regard to the much abused and highly condemned system of managing agency. I need hardly say anything in regard to distribution. The flagrant abuse of the latitude given to industry through the abolition of control has by now convinced the Government that control must be reimposed. Here I should like to make a passing reference to the proposed legislation in regard to the control of industries that is engaging the attention of the Department of Industry. I do hope that when the proposed Bill is put on the statute book it will go a long way in putting the industrial development of our country on a sound basis.

The Assembly then adjourned till Quarter to Eleven of the Clock on Saturday, the 5th March, 1949.